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BULGARIA'S FIVE-YEAR-PLAN

BY

DOBRI TERPESHEV

PRESIDENT OF THE STATE PLANNING COMMISSION

REPORT SUBMITTED TO THE V CONGRESS OF THE BULGARIAN COMMUNIST PARTY

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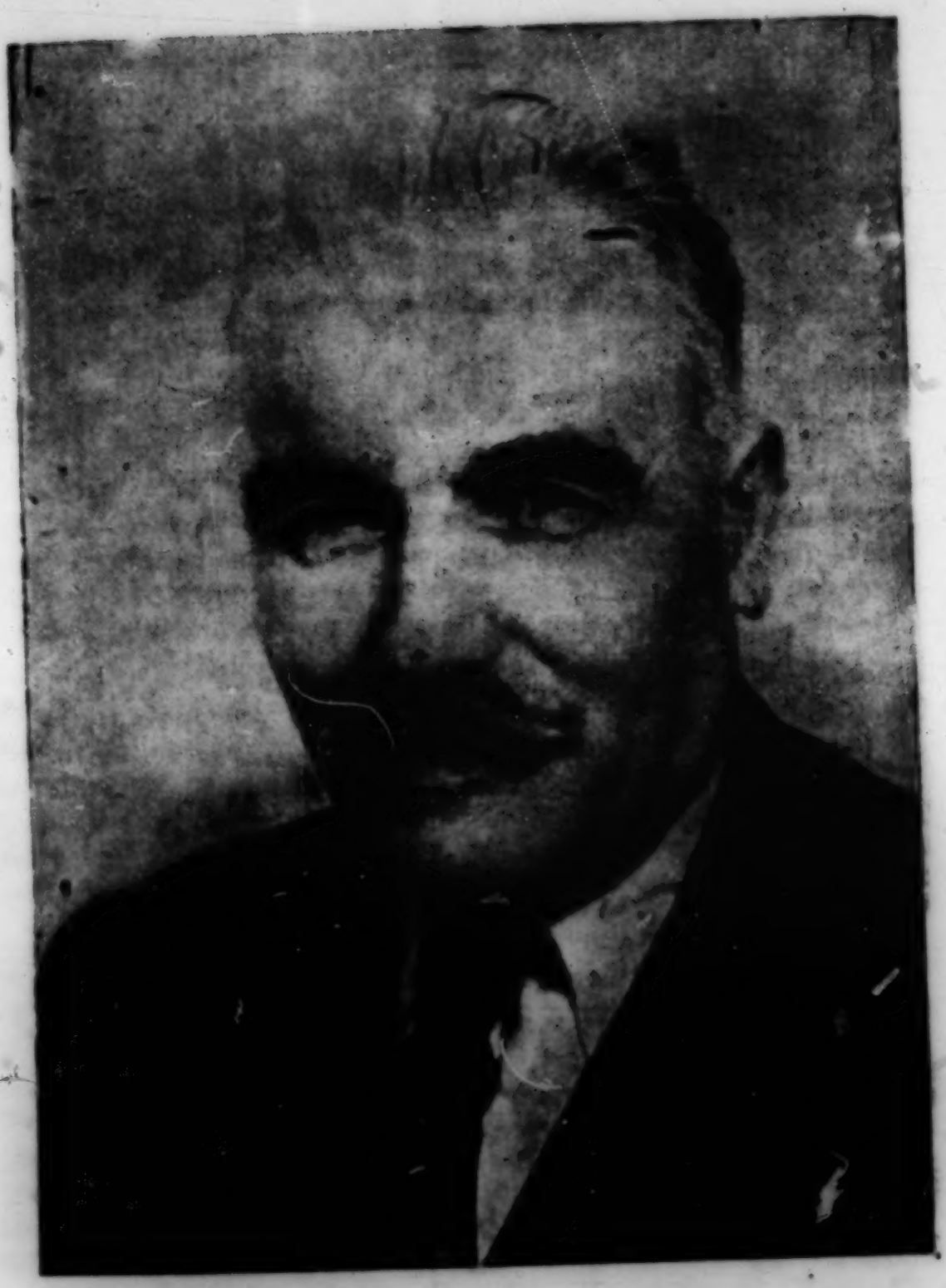

MINISTER DOBRI TERPESHEV

PRESIDENT OF THE STATE PLANNING COMMISSION

REPORT

on the Five-Year-Plan submitted to the Vth Congress of the Bulgarian Communist Party

by Dobri Terpeshev

Comrades and Delegates,

After the victorious revolutionary events of September 9th 1944, which were organized and led by our Party, and with the substantial aid of the Soviet Army, the government of the country passed into the hands of our people—the workers and toilers from town and village.

The state which was formerly used as an instrument for oppressing the people and ensuring the domination of the capitalist class was turned into an organized force of the working people in defence of their general interests. The people's state became a leading and planning factor in economy; in fact, it became the foremost entrepreneur in our country.

The nationalization of industry, mining, transport and credit, the state monopoly of foreign and wholesale trade, the development of the co-operative movement in agriculture and exchange — all this form the foundations of the economic development of our country along the road to socialism. The economic levers of command, which determine the further development of our national economy, have assumed an entirely different social content. All this permitted the introduction of planning in the national economy. The plan became the basic law in the economic development of the People's Republic of Bulgaria.

In this connection it should be stressed that the valuable, disinterested and ever increasing aid and collaboration of the Soviet Union and the other people's democracies have greatly facilitated the development of our economy. It was under such circumstances that the first attempt at planned economy was made through the Two-Year-Plan (1947-1948)

The first Five-Year-Plan (1949-1953) is submitted to you, delegates to the Vth Congress of our glorious Party, for examination.

This noteworthy fact will have a historic importance for our political and economic development. It shows that the necessary international and domestic conditions—consolidation of our international status and internal democratic order—have been created for the elaboration and adoption of a large scale plan for socialist construction, as foreseen by the Five-Year-Plan for the development of our national economy.

To better appreciate the great leap in our economic development, set by the Five-Year-Plan, one must bear in mind the economic backwardness of our country.

In the field of industry, we inherited from the capitalist regime some 4,000 larger industrial enterprises, 3,524 of which were private, 320 cooperative and only 246 owned by the state. Most of these enterprises constituted light industry; yet the population received a modicum of factory goods, as, for instance, 3·5 kgr. of sugar, 5 meters of cotton wear, 0·25 kgr. of leather shoe materials, 1·2 kgr. of soap per capita.

The Fascist rulers were doing their level best to keep even the most developed industry—textiles—in an exceedingly onerous position.

The heavy industry was in an embrionic state. The correlation between light and heavy industy was 76:24, whereas that between industry and agriculture—30:70. Industry was not furnished with local raw materials. The leather industry was using 53 percent of imported ran materials; woollen industry—63 percent; soap industry—64 percent; cotton industry—60 percent; paper industry 70 percent: cotton knitting industry—77 percent. The large enterprises constituted less than 10 percent of the entire industry, while the number of artisan enterprises exceeded 100,000. Industry was developing in an anarchist way.

The oil-producing factories prior to World War I numbered only 8, and reached 514 before World War II; thus during this period 30 enterprises were annually established in Bulgaria. Their capacity reached 220,000 tons, i. e. as much as there were oil-bearing seeds in the Balkans. Natural resources remained unexplored in our country and unused, although there exist large quantities of such in the various districts. Coal basins for black, lignite and brown

coal were insufficiently tapped. The iron, copper, lead, zinc, manganese, and chrome ores were also insufficiently surveyed. Their development and utilization was carried out most irresponsibly and under conditions of primitive technique. Development of electrification was advancing at a snail's pace—for a period of 50 years power production hardly reached 236 million Kw/h or 60 times less than in such small states as Sweden, Norway, Switzerland.

It must further be stressed that the concentration of industrial capital was considerably large. Half the industrialists in 1947 received some 80 percent of the proceeds of the industrial private sector. Besides, 181 industrialists had made over 1,500,000 leva a year, or a total of 348 million leva. These millionaires were the actual masters of our industry.

There are more than 200,000 Bulgarian artisans who with their families—800,000 in all—earn a modest living, yet in 1947 a small group of 58 craftsmen made over a million leva a year, or about 69 million leva in all.

The Fascist regime also completely mismanaged our rural economy, as can be seen from the census figures

Agricultural farms
(Preliminary data)

Group Number	Farms grouped according to size	Number of farms	Arable land in hectares per farm		
1	1 hectare . . .	157,693	783,326	average	0·5 ht.
2	1-5 hectares . . .	576,264	16,493,356	.	3·0 .
3	5-10 hectares . .	276,377	18,906,799	.	6·0 .
4	Above 10 hectares	84,570	12,757,409	.	15·0 .
	Total .	1,094 904	48,942,890		

Of 1,100,000 farms about 85,000, or 7·7 percent, now own more than 10 hectares, while 66 percent have less than 5 hectares of land. The soil is split into 12 million strips of an average size of 0·4 hectares. 165,000 farms have no agricultural inventory, and 135,000—no working cattle. The production of Bulgaria's rural economy was among the lowest in Europe. Besides, yields are exceedingly unsteady depending on the weather (climate). We rarely had prospe-

rous years in which the output of grain exceeded 180 kgr. per hectare. There were years when the output had even gone below 60 kilograms per hectare.

The development of technical cultures proceeded at a slow pace. The Fascist governments did not bother to improve the output of these cultures and cared still less for small landholders, who gave their labor to these cultures. Quite on the contrary, financial, commercial and industrial capital exploited most cruelly the tobacco, beet, cocoon, strawberry and other producers. We all recall the struggle of these workers for a livelihood.

The capitalist anarchy in production reflected itself unfavorably particularly on the development of the commercio-industrial cultures. The production of strawberries had expanded so much that it covered an area of 6,000 hectares. Later on producers were compelled to give that up. Premiums were granted for the uprooting of roses—the pride of the nation.

For a period of forty years cattle breeding remained stationary. During the period 1941-44 the number of domestic animals decreased as follows:

Horses	27·70	percent
Mules	12·03	"
Donkeys	38·16	"
Cattle	16·38	"
Buffalos	25·01	"
Sheep	24·18	"
Swine	24·75	"
Fowl	41·00	"

This sharp drop in the number of cattle shows the extent of spoliation to which our country was subjected by the German robbers and their Bulgarian accomplices.

The forage basis of cattle breeding was exceedingly low. Our cattle continuously hungered, and hence its productivity went down.

Until September 9th 1944 forests were subjected to a most barbarian exploitation and destruction. About 20 percent of forest areas were laid waste. Private capital exploited only the closest forest areas and mutilated them for all practical purposes, while forests in the mountainous regions were left to decay.

It could be said that our country is considerably deforested and if crops are unsystematically distributed, arable land will be transformed into barren soil.

Under the capitalist and Fascist system, rural economy was not only incapable of expanded reproduction, but degraded and left in a primitive state.

The failure to carry through proper pest control caused our rural economy losses running into billions of leva.

A considerable group of wealthy peasants (kulaks) dominated the rural economy. The net revenue of rural economy exceeds 43 billion leva, but is most unfairly distributed. 10 percent of the farmers, who made more than 200,000 leva each, pocketed over 22 percent of the total net revenue. Furthermore, a small group of 147 big landholders earned more than 1 million leva per capita annually. One has to bear all this in mind when speaking of class differentiations in our rural economy and of the economic positions which the capitalist elements occupied before September 9th. Though a strong blow was dealt to them, they continue to exist.

In the field of commerce prior to September 9th, we notice an even greater development of parasite groups. Domestic trade was in the hands of about 100,000 private merchants—big, medium and small.

Co-operatives were persecuted and could not, therefore, take a major part in the circulation of goods. Wherever they succeeded in developing greater activity, they were exploited mainly by the capitalist elements who as a rule controlled their activity.

Even as late as 1947, with a people's government, merchants made over 9 billion leva; the profits of 276 traders exceeded 1 million leva, a total of 303 million leva. To this one should add that in 1947 coupon-clippers in our country had a net revenue of more than 3 billion leva, while persons of private professions—more than 1 billion leva. These figures comprise only those whose incomes could be recorded.

In the early years of our capitalist accumulation, toward the turn of the century, when according to the words of the founder of our Party, Dimiter Blagoev, "Bulgaria, which has irretrievably taken the road of capitalist development, suffers both from and for capitalism", the young Bulgarian bourgeoisie was seeking quick and easy profits. It greedily

invaded the most lucrative fields of our national economy. Prompted by its temporary interests, it took no care of the country's industrialization. Insofar as it created a national industry, it did so only in light industry which ensured great profits. In order to protect our nascent industry from the competition of the industrially advanced western nations, a law on the protection of local industry was enacted in 1894.

Under this law the number of factories increased considerably in the course of several years. Within 2-3 years of its enactment the number of the factories jumped from 20 to over 200. However, this early stage of the Bulgarian bourgeoisie did not last long. Under the influence of finance capital, assuming the form of monopolist capitalism, it wore out, aged and became an obstacle to the economic development of the country.

The economic policy of Bulgarian capitalists consisted in the perpetuation of the petty agricultural character of our country. Bulgarian big business pursued a criminal anti-people's policy. That is why industrial upbuilding in our country could not be achieved in a consistent and systematic manner with a view to the interests of the nation and the people.

"This group — says comrade Dimitrov — has always striven to suggest to the people that our country is small, weak and unable to develop its national economy. However, everyone knows that there are a series of states which are smaller than ours, such as Switzerland, Belgium, Holland, Denmark, Norway, Sweden, which economically are far ahead of us"

I. THE PERNICIOUS ROLE OF FOREIGN CAPITAL IN OUR ECONOMY

Foreign capital proved a great obstacle to the economic development of our country.

The penetration of foreign capital into our country was effected through capital investments in the big monopoly enterprises, bank capital, creation of import-export centers and foreign loans.

Participation of foreign capital was most marked on the eve of World War II. Official statistics show that toward the end of 1937, 41·2 percent of the total capital invested in joint-stock companies was foreign. Subsequently, German

capital penetrated in the form of joint-stock and limited companies with Bulgarian partnership for the direct purchase of Bulgarian products.

Participation of foreign capital was as follows:

Large processing industry	48 percent
Wholesale trade	38 "
Insurance	24 "
Banking	22 "
Transport companies	63 "

Inasmuch as these companies made use of foeign credits, their activity in the above fields was in fact much more pronounced because of their greater competitive capacity. The following is a list of the larger enterprises of a monopolistic character:

Sugar industry, consisting of four large factories holding more than 85 percent of sugar production.

"Granitoid"—91 percent of total production

Match factory—85 percent

United Tobacco factories—65 percent

Copper ores—100 percent

Paper and Carton—63 percent

Large Mills in Burgas—40 percent

"The Pirin Company" for lead ores—100 percent, etc.

"Schenker" and other companies held 100 percent in oil in the field of transport.

The American Company "Petrol"—97 percent

The so-called "Joint-stock companies" for tobacco—90 percent.

Protected by foreign legations these companies showed very small profits in their annual balances in order to evade taxes, but annually transferred abroad profits evaluated at hundreds of millions of leva in foreign currency.

Even worse was the influence of the rapacious foreign capital in the banks it had founded. Since 1906 our national economy was dominated by the following big foreign banks: Credit Bank—German capital, General Bank, Italian Bank: Franco-Belgian Bank, Prague Bank, and partly the Bulgarian Credit Bank. They influenced Bulgaria's economy not only through their invested capital, but also by utilizing Bulgarian savings and through credit from abroad in the form of deposits for which Bulgarian economy had to pay very high interests. In difficult moments and crises the short-term foreign credit was withdrawn, bank deposits were

sent back abroad and thus the crisis became more acute and ravaged our economy through an intensification of unemployment, bankruptcies, etc.

In 1929, 1930 and 1932 alone about 3 billion leva, or at today's rate 25 billion leva, in gold currencies were transferred abroad. Curious is the case of the so-called "Bulgarian Mortgage Bank" founded in 1928 by special law providing for the monopoly of mortgage credit and guaranteeing a minimum profit of 7 percent on the capital. This bank, created with the participation of the state banks, and with 60 percent American and French capital, i. e. about 170 million leva, within a mere seven years succeeded in transferring abroad profits and dividends exceeding the invested capital, after which the foreign capitalists sold their shares to the Bulgarian state through the Bulgarian Agricultural & Coöperative Bank. The beneficial role of this bank consisted in granting mortgage loans at an interest rate of 11 3/4 percent guaranteed on the basis of Swiss francs.

Foreign monopolies had established export-import centers in the form of joint-stock companies or agencies, through which they dictated the prices of the imported and exported goods by setting aside for themselves abroad the major part of the profits.

The Bulgarian village was not spared by the rapacious colonial capital. All its "needs" of suitable and expensive agricultural machines and implements, for preparati, colonial goods etc. were being satisfied through these centers, while the fruit of the peasant's labor was paid for at insignificant prices and exported by the foreign export firms. According to the information of the Bulgarian Agricultural & Coöperative Bank, Bulgarian tobacco producers were thus despoiled of hundreds of millions of leva annually.

Besides, the Bulgarian state was concluding loans under terms, imposed by foreign bank and industrial capital at high interests and commissions, and guaranteed by state revenue.

On the eve of World War I in 1914 the Radoslavov government concluded the notorious 500 million gold franc loan from a famous group of banks, headed by Diskontogesellschaft. The then ruling clique formed "avoirs" in Marks valued at 850 million leva or at several tens of billions of

present-day leva, which melted away and the loss of which was borne by the toiling Bulgarian people.

After World War I Bulgaria concluded a "Refugee Loan" in 1926 and a "Stabilization Loan" in 1926 at an interest rate of 8.45 percent. In exchange Bulgaria pledged itselt to pay old loans on the basis of a valorized rate, to introduce foreign contorl over its finances and over the National Bank, the latter to bercome a private joint-stock bank independent of the State; to discontinue control over foreign exchange and to keep the loaned sums in foreign banks. All this took place under the auspices of the League of Nations.

Early in 1941 King Boris and Filov tied Bulgaria to the Axis. Big German concerns and banks, such as "Deutsche Bank", "Dresdner Bank" and others became the real masters in our country. The German trusts "Todt", "Hermann Goering", "I. G. Farben", "Balkan Tabak", "Remstma", „AEG", "Siemens", "Mandel & Co.", "Sonne" etc. expanded their papacious operations.

The Berlin "Deutsche Bank" set up its own branches in Sofia, created a strong German-Bulgarian credit bank, "Dresdener Bank", and subordinated the former Bulgarian Commercial Bank and through it a series of industrial and commercial enterprises. Under the form of collaboration of German banks the Bulgarian credit bankw as also subordinated. The Bulgarian National Bank granted unlimited credits to German firms.

The domination of German capital in Bulgaria was leadiug to a complete economic and political subjugation of the country to Fascist Germany. German imperialists had bought off Bulgarian political leaders, journalists, public figures and high state officials. More than half of the national representatives had sold out to the Germans.

Our rural economy was transformed into an appendage ot German industry. The Bulgarian Hitlerite clique granted Germans absolute monopoly for the import of goods. 90 percent of the goods eported in 1944 went to Germany. The Germans succeeded in robbing the Bulgarian people of goods evaluated at more than 70 billion leva; besides this, Bulgaria's entire export to other countries passed through German firms which held Bulgarian gold currency in their hands.

I would like to bring to your attention the following balance sheet.

Extent of Bulgaria's exploitation by foreign capital for the period 1918-1944 estimated at current rates:

Sums transferred abroad from profits, interests on invested capital, commissions, profits of shareholders, etc.

1. Industry	89	billion leva.
2. Commerce	228	" "
3. Banking	55	" "
4. Transport	40	" "
5. Insurance companies	15	" "
6. Losses from German clearing	70	" "
Total	497	" "
2. Profits from the import of foreign commercial enterprises	200	billion leva
3. Reparations	309	" "
Total sum transferred abroad	1,006	billion leva

Even more pronounced was the exploitation by Bulgarian capitalists. Calculations on the national revenue for the period 1924-1945 give the following results:

1. Income of large processing industry and private mines (incl. state enterprises)	446·4	billion leva
2. Income of local and foreign trade	619·0	" "
3. Other income	161·0	" "
Total	1,226·4	billion leva

Of this sum 337·6 billion leva, or only 38 percent, went for the wages and salaries of workers and clerks, while 888·8 billions leva were pocketed by industrialists and merchants, i. e. 62 percent of the aggregate income from commerce and industry.

It is interesting to outline, as far as this can be done, the exploitation of the rural population by the so-called kulaks—the rural bourgeoisie. At present rates some 25 billion leva were squeezed out from the peasant population by usurers and 50 billion leva by brokers and middlemen on other agricultural products for the period 1920-1933, according to data from the Sinking Fund Institution.

As a result of this terrific exploitation of the Bulgarian working people, only 430·4 billion leva of the total revenue was set aside for capital investment during 1924-

1945. Of this sum 170·5 billion leva were employed for the construction of private homes and a mere 260 billion leva remained for the economy, including the state's share for capital investments in railways, bridges, etc.

In other words, foreign capitalists squeezed out from our people . . .	1,000	billion leva
Bulgarian bourgeoisie	889	„ „
Total . .	1,889	„ „
or an annual average of	90	billion leva
Therefrom—a) for capital investments	12·4	„ „
b) for non-productive aims	77·6	„ „

Average annual percentage of capital investments from national revenue	4·9	percent
Ibid for spoliated amount	30·8	„
Total from annual national revenue .	35·7	„

This covers only the period 1924 – 1944.

". . . . . the criminal rule of the German Coburg dynasty and the parasite capitalist cliques", says comrade Dimitrov, "left Bulgaria far behind in its economic development. The dynasty and these cliques played the role of middlemen for foreign capital and thus enriched themselves at the expense of the people's labor and the country's wealth. They had no interest in the creation of a solid national industry and a modern mechanized agricultural economy."

The historic victory of September 9th 1944 saved Bulgaria from further exploitation by foreign imperialists and Bulgarian capitalists.

Aided by the Soviet Army, Bulgaria succeeded in winning its national independence and started at a quick pace to heal the wounds inflicted upon it by the Hitlerite invaders and their accomplices — the Bulgarian defeatist bourgeoisie and monarchy.

After September 9th the people's government organized workers control over production to ensure normal production and paralyze the sabotage of capitalists. As a result of this, the country succeeded in attaining prewar production in several industrial branches.

Price control was established; commerce and supply were put under supervision; a drive was launched against

speculation and the black market; railway and automobile transport was rehabilitated; the feeding of the population and cattle, threatened by the deplenished rural economy and droughts, was ensured. The people's government took all measures and imported from the Soviet Union the necessary amounts of grain and forage:

Wheat	50,000	tons
Barley	25,000	»
Maize	20,000	»
Hay	50,000	»

In addition to this, tens of millions of kilograms of straw were transported from Dobrudja to South and South-western Bulgaria for saving the cattle.

A struggle was waged against inflation and high prices and the Bulgarian lev was stabilized through the liberation loan of 25 billion leva and other measures. Constructions evaluated at 21 billion leva were carried out; the organization of the working class and the democratic government was consolidated — a pre-condition for the further mastering and development of production; a start was made in the creation of cooperative farms, machine-tractor-stations and state farms.

The Two-Year-Plan has played an important role in the development of the country's economy since 1947. It became one of the basic laws in the economic development of the People's Republic of Bulgaria.

II EXECUTION OF THE TWO-YEAR-PLAN FOR 1947-1948

The first state plan set itself the following tasks:

1) To rehabilitate the war-ravaged national economy and overcome the economic difficulties inherited from fascism and intensified by two consecutive droughts; to reach and surpass prewar production in agriculture, industry and other economic branches.

2) To create the prerequisites for the further economic development of the country.

In keeping with the character of the set tasks, the period of the Two-Year-Plan is a period of reconstruction for our economy.

The first plan for the management and development of our economy was in fact an experiment for the introduction of the planning principle into our economy. Today, at its

fulfilment, we can boldly state that the tasks set have been realized in their general lines.

The execution of the Plan encountered difficulties of an objective character, the drought, and of a subjective character—insufficient survey of the objectives, poor organization of construction and of coal output, power shortage, difficulties and organizational defects in the import and in timber processing, resistance of capitalist elements in industry, commerce and construction, especially during 1947 when the private sector predominated in all those fields.

Notwithstanding these difficulties, remarkable successes were scored in the fulfilment of the Plan thanks to the enthusiasm of the working men, women and especially youth who set examples of labor exploits and discipline.

Industry

The industrial plan will be fulfilled as follows (in percentage):

1947	85·4
1948	99·3

Total for both years . . . . . 93 percent.

The 7 percent lag in the plan's fulfilment is due to the fact that the food industry — the most important branch of our light industry (about 30 percent) — on account of the poor crop could not yield adequate quantities of local raw materials, food, etc.

During the same year difficulties in importing some indispensible materials prevented certain branches of industry from realizing their plans.

Despite these unfavorable circumstances, industrial output for 1947 exceeded that of 1946 by 15 percent and that of 1939 by 19·6 percent.

It is expected that production in 1948 will surpass that of 1947 by 38·6 percent, that of 1946 by 74 percent and 1939 by 71 percent.

Such a tempo of industrial production was unknown heretofore in our economy. The production of electric energy is expected to double as compared to 1939 (209·8 percent), the extracting industry (coal, ores, etc.) also, whereas industrial output is to increase by 167 percent. Output of coal

is insufficient, but it is expected that in 1948 the plan will be fulfilled 8.. percent.

The plan for the installation of new electric centres will be fulf lled 69 percent. The plan for the exploitation of electric centres is already realized by 143 percent.

Industry is expected to fulfil its plan during the current year by 101·2 percent.

The following industries will exceed the 1948 plan (in percentage):

Metal processing	107
Machine building	103
Production of electric materials	140
Chemicals	100·8
Gas producing	142
Cautchouc	117·3
Building materials	102·4
Fine ceramics & glass industry	128·6
Paper industry	111·5
Leather industry	117·5
Shoe industry	177·5
Textile industry	103·5

Metal production, machine building and ship building overfulfilled their production program by 3-7 percent.

The results attained by industry during 1948 are due to the nationalization of industry carried out by the F. F. government, to improved qualification, emulation, shock-work, relative betterment of the material living standard of the working class, reconstruction and amalgamation of industry enterprises, improved supply of raw and auxiliary materials of local and foreign origin for industry.

In order to illustrate the success attained by industry during 1948 as compared to 1947, we are hereby giving a relative comparison in percentage for some exceedingly important goods and materials, using as an index 100 for the year 1947:

Cement	159
Lime	137
Bricks	120
Tiles	121
Iron	139
Pig iron	185
Concrete iron	156

Instruments	135
Soap	141
Coke	110
Automobile tires	307
Moccasins	129
Factory made shoes	233
Paper	110
Cotton tissue	117
Woolen cloth	112
Sugar	306
Macaroni	104
Preserves	363
Coal	102
Ores	113

During the period covering the Two-Year-Plan, heavy industry (group A) has developed at a considerably faster rate than light industry (group B). Thus, in 1948 it produced $3^1/_2$ times as much as in 1939, whereas light industry exceeded 1939 production by 150 percent

Considerable reconstruction and amalgamation of industrial enterprises with a view to eliminating the unprofitable ones was carried out. The technical process in a series of industrial enterprises was perfected so as to decrease the cost of production, especially in the food, timber processing, metal processing and textile industries, etc.

During those two years the machine-building industry booked a real success. Bulgaria started producing machines which were formerly imported from abroad against the transfer of hard currencies or export of valuable goods. These machines were exhibited last fall at the Plovdiv Fair: various kinds of lathes, irrigation pumps, polishing machines, planing machines, fraises, drilling machines, valuable construction machines, concrete dippers, stone breakers, etc. Considerable success was registered in the electric indus ry which produced various materials for electric installations (as interrupters, insulators, sockets, etc.) and new electric motors.

The canning industry was reconstructed and nationalized. High quality jams, jellies, marmalades are now being produced. Particular attention should be paid to the fact that a small plant for the production of pectin has been built. This will considerably facilitate our export possibilities of canned fruits.

The sharp rise of industrial production does not mean that it has attained its full productive capacity. Many industrial enterprises work only with one shift. The annual working days do not exceed 200, whereas the normal should be 280-300 days.

Local Industry and Crafts

Our artisans participated most actively in the industrial production during the reconstruction period. They number almost 200,000 of whom 43,968 are coöperated, and 143,000 not (incl. some 20,000 semi-artisans).

Prior to September 9th there existed only 51 labor coöperatives in Bulgaria. Towards the end of 1946 their number increased to 570 with 15,249 members. In 1947 they totalled 738 with 23,836 members and in 1948—1,037 coöperatives and 602 coöperative sections with a total membership of 43,968. Big artisan coöperatives were created, such as the shoe producing coöperatives "September 9th" and "Victory", the tailors coöperative "Dimiter Blagoev" in Sofia with 1,775 members, the carpet-makers coöperative at Panagyurishte with 565 members, the metal coöperative "Metko" in Sofia with 152 members and one in Plovdiv with 150 members, the carpenter coöperative "Brigade" in Sofia with 235 members, etc. which march onward to the full coöperation of crafts according to branches.

For 1947, the Two-Year-Plan was fulfilled 92 percent. A social cross-section in production is giving us the following ratio: 48 percent on the coöperative sector and 52 on the private sector.

It is expected that the plan will be fulfilled 96 percent in 1948 and that output will reach:

In the coöperative sector . . .	57 percent
In the private " . . .	33 "
In the state institutions and the people's councils . . .	10 "

Nationalization of industry handed over to the people's councils 3,000 odd enterprises for permanent exploitation. A major part of them is destined to service the population, only an insignificant part is of productive character (brick kilns, soda workshops, etc.)

Agriculture

The fulfilment of the plan in agriculture encountered greater difficulties than in industry: on the one hand, the character of rural economy—small, split up, and privately owned—hampered its planned execution and, on the other hand, the latter was aggravated by the backwardness and low productivity. Unfavorable climatic conditions must be added to the aforementioned difficulties.

Plant growing exceeded the pre-war level, reaching 108 percent; forests — 165 percent, fishing — 144 percent.

For a series of essential cultures such as cereals, forage, oil-bearing seeds and especially sun-flower, the pre-war level of production has not yet been attained. However, since the production of plant fibres, sugar beets, forages, considerably exceeded the pre-war level, the general output of plant growing towards the end of 1948 reached 1939 production.

The plan for vegetable production in 1948 was not properly fulfilled, although production has tripled as compared to 1939. Only 56,000 out of the planned 67,000 hectares were seeded; some of the most important vegetable production lagged far behind: tomatoes, fulfilled — 65 percent, red peppers — 50 percent, green peppers — 70 percent.

For reasons of a subjective character the plan was not fulfilled as required.

Diseases and plant parasites also inflicted great damage this year. Not enough was done in the way of prevention.

The number of animals in 1948 as compared to 1939 is expected to be as follows: horses — 88 percent, cattle and buffalos — 108 percent, sheep — 90 percent, pigs—126 percent and fowl — 100 percent.

The expected fulfilment of the plan as regards production of cattle-breeding will in general reach 91·5 percent. The pre-war production has already been attained and surpassed insofar as milk (100 percent) and wool (104 percent) are concerned. Production has lagged behind as follows:

Meat	63 percent fulfilment
Eggs	75 " "
Cattle hides	57 " "
Sheep and goat skins	71 " "

The Two-Year-Plan created wide possibilities for the creation of state stock-raising farms. The original plan figure for 1948 was 1,480 farms; today we already have 1,775 stock-raising farms.

The sanitary-veterinary field registered laudable results. One of the first governmental tasks was to save our cattle-breeding wealth, worth more than 204 billion leva, from contagious, parasite and organic diseases.

640,000 animals were treated during 1948 i. e. the plan was fulfilled 106 percent. The plan of vaccinating against dangerous contagious diseases is fulfilled by 107 percent for the current year. Artificial insemination has been overfulfilled both in 1947 and 1948. 103,000 sheep were inseminated during 1948 alone and thus the plan was executed 103 percent. The veterinary institutions produced and furnished the country with the necessary serums, vaccines, diagnostic and other preparations, previously imported from abroad.

The mechanization of rural economy for the period embracing the Two-Year-Plan and especially for 1948 was considerably moved forward. The number of machine-tractor-stations which will play a prominent role in the transformation of our agriculture, rose from 20 in 1946 to 30 in 1947 and to 71 in 1948. In the beginning of 1948 the privately owned agricultural machines were bought up by the state. For the production and import of agricultural machines 1,664 million leva were expended during 1948 only.

The state farms were created at the end of 1947 for the purpose of organizing production of first-class animal and plant material and of serving as standards of model farms. The yield per decare of individual cultures in state farms exceeds by 30-40 percent that of private farms. The higher output is due before all to the higher technique, regular and timely execution of farm work. Thus, for instance, the farm named in honor of comrade Vasil Kolarov carried out the current year's autumn sowing on time — on October 30th, in accordance with the plan based on scientific possibilities. The productivity of its cattle is double the average productivity of Bulgarian cattle in general.

The coöperative farms have made rapid headway, while the plan for 1948 provided for 800, their present number already exceeds 1000 with 73,000 coöperators and some 300,000 hectares of arable land, and is growing apace. Be-

cause of the better cultivation of soil, introduction of higher agro-technique and supply of sorted seeds, the coöperative farms gave higher yield than the private farms and have already become a fully consolidated form of rural economy. The average output of major cultures produced by coöperative farms in 1948 is 20-30 percent higher than that of private farms and in some instances the following record yield was observed: wheat — 3.1/2 tons per hectare by the coöperative farm at Maritza village, district of Pazardjik, 3.1/4 tons at Heiredin village, district of Orehovo, potatoes — 53 tons per hectare at Gorsk Senovets, district of Gorna Oriahovitsa etc. This considerably increases the income of the coöperated peasants.

Middling and small farmers evince a growing sympathy toward coöperative farms and start participating on a mass scale. In some places membership of coöperative farms has doubled and elsewhere entire villages have entered the coöperatives.

The state rendered considerable aid for their consolidation. Many courses were organized with a view to satisfy the needs of cadres for the different fields of rural production. More than a billion leva of subsidies were granted for capital investments in coöperative farms during 1948, allocated for the latter's consollidation and development.

Forestry

Parallel to the increased yield from forests. a series of measures were taken for the improvement of forestry. Thus, during 1947 an area of 16,000 hectares was afforested i.e. the acreage was tripled as compared to the years preceding September 9th 1944. During the spring of 1948 no less than 11,200 hectares were afforested, while this autumn 10,000 hectares are expected to be afforested or the plan to be overfulfilled by 18 percent. In 1947/48 some 710 kilometers of forest roads were constructed.

Fishing

The yield of fish will reach at the end of 1948 some 6,400 tons, an increase of 44·5 percent over 1939; solid foundations have been laid for spawning on a mass scale.

During 1947 fish were spawned in 1,000 hectares of rice lands: in 1948 the area will be doubled — a measure never carried out in the past.

Towards the end of last year a state fishery was created.

Transport and Communications

In execution of the plan for railway transport, 140 kilometers of railroads were built instead of the 83 kilometers foreseen (fulfilment — 168 percent); the number of locomotives and passenger cars was not increased owing to difficulties in deliveries from abroad, whereas the number of freight cars was increased by 1,045.

Auto Transport

The plan for increasing the stock of trucks and lorries will be fulfilled by 148 percent and for that of buses by 79 percent. During the period of the Two-Year-Plan the Union of Public Freight Transport was reorganized and placed under direct State management and control. A State Auto Enterprise was created, disposing of a considerable supply of trucks and buses with a goal to embrace in the future all kinds of commercial auto transport. The tasks assigned by the plan regarding transport will be overfulfilled.

Water Transport

It is noteworthy that during the two year period a state navigation company was created — Bulgarian Sea Fleet. Two steamers were acquired and a third one already purchased is expected to arrive. Private sea navigation vessels were nationalized. Our sea fleet is servicing the transport of imported and exported goods between Bulgaria and the USSR.

Civil aviation was created, which started the exploitation of one international and three domestic airlines. A civil sanitary aviation was also established.

Transport taxes, covering all kinds of transport, were reduced 10 percent.

Post, Telegraphs and Telephones

According to the plan the communication network had to provide for 30 new PTT stations, while 38 new ones were inaugurated: the length of postal routes increased by 1447 kilometers (100 percent): the plan for increasing telegraphic communications and PTT stations was overfulfilled. There is a general improvement in the quality of communications service.

Foreign Trade

During 1947 and 1948 our foreign trade became more and more active. The fulfilment of import for 1947 was 63·5 percent, for 1948 — 91·6 percent, whereas that of export, respectively — 71 percent and 90·4 percent. These results ensured the relatively normal development of our national economy and created some reserves for an expanded program of construction during the first year of the Five-Year-Plan.

Instead of importing toys and luxury articles as was done under the old regime, machines and raw materials for our industry constitute the main imports. The exports during the two year period are characterized by a great diversity in the assortment of goods. Parallel with tobacco and other industrial cultures, goods produced by artisanship and industry also played a prominent role.

Domestic Trade

Retail trade for 1947 was valued at 16·9 billion leva, while the expected turnover for 1948 is 19·4 billions in 1939 prices, i e. an increase of 14·8 percent.

This shows that in 1948 there is a considerable improvement over 1947 in the supply of the population with food, textiles, leather and other goods. State and people's council commercial enterprises for retail trade were created such as Narmag, Horemag, Toplivo etc. which achieved considerable success. The number of coöperative shops has grown from 2,830 to 5,700.

During the two year period the entire wholesale trade was nationalized. Domestic commercial centers were established, such as the Tobacco Monopoly, Alcohol Monopoly, Egg

Central, Meat Center, center for clothing and shoes, groceries and others, which displaced private trade and saved the consumer from capitalist exploitation.

Parallel with the expansion of the public sectors in domestic commerce, the network of public canteens and restaurants was increased, as well as their number of patrons. In 1947 there were 2,340 canteens with 230,000 patrons, in 1948 their number rose respectively to 2,460 and 305,000. Public canteens and restaurants have their own farms which play an important role: in 1947 they disposed of 4,000 hectares of arable land, 16,000 pigs 100,000 fowl, 225,000 bee-hives etc. Despite the increase in production, which has surpassed in many fields the pre-war level, a shortage of certain goods, especially agricultural products, is still felt on the market. This is due to the increased needs of the toilers, liberated from the capitalist yoke, to their greater purchasing power as a result of the governmental economic policy, and to the higher consumption of the peasant-producers who now market less of their output, and, finally, to a fairer social distribution of the goods produced.

Capital Investments

An unprecedented construction activity has characterized the Two-Year-Plan. Capital investments in 1947 excluding private constructions exceeded 32 billion leva and in 1948 amounted to 43 billion leva or for both years 75 billion leva at current prices. If we add the private capital investments which amount to 25 billion leva, we get a total of 100 billion leva. In prewar terms (1939) construction increased by over 90 percent in 1947 and by 138 percent in 1948. In compliance with the tasks of the plan, considerable sums were invested for the electrification and industrialization, for the mechanization of agriculture and for the technical reconstruction of transport. A relatively large sum was allocated to housing, cultural, communal and other kinds of construction.

During the Two-Year-Plan ten power stations were completed. The completion of TEZ "Nadezhda", TEZ "Adree" and others is anticipated in the nearest future. 2.550 long-distance conductors were built

A series of new industrial enterprises were built, among which the more important are: the "Vulcan" Cement factory with a capacity of 200,000 tons, the "Corhim" factory for

dry distillation of wood, the "Elhim" carbide factory, the "Gislavat" factory for cautchouc products, three timber-processing factories, and the macaroni factory "Minkova Mahala". Through expansion and reconstruction of the existing enterprises, were established: an instrumental plant, a factory for brass products, a plant for spare parts, a lead plant, 12 saw-mills, 3 textile factories, and others.

For the needs of the rural economy 1190 barns, stables, pigsties, and drying rooms were built — 30 repair shops were set up and 600 new tractors and 110 threshers supplied. 8 agricultural schools and 10 veterinary stations were created.

The railroad lines Somovit—Nikopol and Samuil — Silistra were constructed and put into operation. The railroad lines Pernik—Volnek, Lovech—Troyan were also completed. 860 kilometers of new roads were built, of which the more important ones are Hain—Boas, Dobrich—Zhitnitsa, Dobrich—Vladimirovo, and Alfadare—Voinovo; 25 new P. T. T. stations, 420 kilometers of telephone and telegraph network were also built.

The construction of 6,400 flats for workers' families and single people at industrial enterprises, and 2,400 flats for workers and officials in towns, was carried out.

Twelve new secondary schools, 137 primary schools, 10 libraries, 15 creches, 8 hospitals, sanatoriums etc. were also built.

During this period the construction of many important industrial objectives was commenced, which are expected to be completed during the Five-Year-Plan. Some of the major targets are: the dams "Vasil Kolarov", "Rositsa", "Topolnitsa" and "Georgi Dimitrov", 15 power stations, a factory for nitrogen fertilizers, a plan for low and high voltage, a factory for ultramarine, two timber-processing factories, 4 fruit canneries, the factory "Minkova Makhala", the railroad lines Vratza—Oriahovo, Liaskovo—Zlataritsa and Makotsevo—Sopot three university buildings, 2 palaces of justice, 30 hospitals, 6 workers' villages, the radio-transmitter "Stolnik", the new city Dimitrovgrad, a Children's City, a Cinema City etc.

A total sum of 35 billion leva was invested up to the end of 1948 for the construction of objectives to be completed during the following years. Hence, the capital invest-

ments of the Two-Year-Plan laid the foundation for the carrying out of construction during the ensuing Five-Year-Plan.

Labor Qualification of Cadres and Improvement of the Living Standard of the Toilers

1. Labor Force

During the Two-Year-Plan the number of workers reached 719,600, an increase of 22·6 over 1946. (i. e. 127,000).

As a result of the numerical increase of workers during the Two-Year-Plan, unemployment no longer exists.

2. Productivity

Productivity of labor in 1948 as compared to 1947 has increased as follows:

Industry	26·7	percent.
Power production	15·7	»
Railway transport	5.0	»
Construction	8.2	»

In mining labor productivity has dropped by 8 percent below the 1947 level which was 16 percent higher than in 1946.

3. Wages Fund

The Two-Year-Plan foresaw a 15-20 percent increase of the Fund. In industry (excluding crafts), construction, transport and communications the Fund amounted in 1947 to 30 billion leva, and in 1948 to 39 billions, an increase of 28·9 percent.

4. Qualification of cadres

During the Two-Year-Plan a planned training of cadres was started. College and university curricula were rationalized with a view .o shift the emphasis from general to specialized education.

Students in universities, colleges and professional high-schools increased from 87,100 in 1947 to 98,800 in 1948 i. e. by 13 percent. Only in colleges and professional high-schools the increase was 33 percent, i. e. from 40,400 to 53,750.

The task set by the Two-Year-Plan for a speed-up training program of technical cadres from among graduates of secondary schools was carried out.

5. Health and cultural measures

The number of children's boarding houses was increased from 182 with 4,130 beds in 19.7 to 258 with 10,200 beds. in 1948. Children's summer camps — from 2,100 to 2,310, summer camps from 271 to 285, cultural children's centers from 10 to 27, youths' and children's homes from 67 to 90, hospital beds from 10,700 in 1946 to 15,800 in 1948.

The number of childrens' health institutions rose from 382 with 5.600 beds in 1947, to 490 with 6,685 beds in 1948. The number of beds in the tuberculosis hospitals has risen from 2,350 to 3,900.

The number of vacationing workers and employees in the rest homes "Rest and Culture" and in the professional unions had an exceptional increase; from 18,000 in 1945 to 50 000 each in 1947 and 1948.

The construction of workers' homes under the Two-Year-Plan was considerably stepped up and some 4 billion leva were spent for this purpose.

Moreover, the special legislation for workers and employees was considerably improved. Payments of social security installments and the general income tax are now made in toto by the enterprises, paid vacations were lengthened, workers pensions were doubled, free medical care was extended to include also the members of the family of the insured person, etc.

Financing of the Two-Year-Economic Plan

The necessary budgetary funds for the enterprises and bank credits for the financing of the constructions envisaged under the plan were assured. Taxation was simplified and social justice was introduced by the adoption of the progressive income tax. A single turnover tax was introduced as a result of which taxation was directly connected with the planning of production and circulation. All preliminary measures were taken for the creation in future, beginning with 1949, of a unified state budget including the budgets of the Local and County People's Councils. In the beginning of 1947 monetary reforms were carried out through which all superfluous money was mobilized to serve the plan. The banking system was nationalized and reorganized. The National Bank of Bulgaria, heretofore an instrument for local and foreign capitalists to despoil our

national economy, was turned into a genuine national credit institution. Apart from its routine operations in performing the treasury services for the state, dealing in foreign currency and emitting banknotes, the National Bank was charged with the functions of crediting directly the country's national economy by issuing short-term credits to meet the current turnover needs, of receiving the free funds belonging to enterprises and the population and of facilitating their financial relations by the cashless settlement of accounts. In 1948 the Bank further widened its net by opening agencies in a great number of villages, thus providing the peasant population with direct on-the-spot service.

Beginning with June 27th 1948, the Bank's discount rate was lowered from 4·5 to 3·5, cheapening turnover credit by 20 percent and credit for construction by 40 percent without decreasing the interest rate on bank deposits. This cheaper credit is the result of the cheaper bank operations which were made possible by unifying the banking system.

To finance and grant credits to construction, a new banking institution was established — the Bulgarian Investment Bank, through whose safes, accountancy and control, all expenditures for construction will be effected.

During the past two years the bank deposits collected by this system increased by 70 percent and the credits invested in our national economy by 100 percent.

A centralized accumulation of all the sums set aside for amortization by the enterprises as well as their planned allocation in financing the construction plan was realized.

At the same time the preparatory work for the reassessing of the basic assets of our national economy was carried out. The aim of this is to assess them at their present market prices and to introduce new differentiations for amortization deductions.

All enterprises under the Ministry of Industry introduced norms for their turnover. This will also be soon applied to enterprises related to other fields of our industry.

The favorable results obtained in fulfilment of the plan in all economic fields, of which the Bulgarian people and government can fully be proud, are the strongest proof of the superiority of the planned over unplanned economy and dealt a mortal blow to the enemies of the people,

various fascist and reactionary remnants and opposition circles who, affected by the great government reforms, called the plan "fantastic" and predicted its failure.

Satisfactory results in the fulfilment of the plan were achieved despite extremely unfavorable objective conditions—years of drought and bad crops, which prevented our rural economy from supplying us with a sufficient amount of agricultural products, and not yet re-established trade relations and post-war shortages of goods on the international market, resulting in a dearth of raw materials, accessory materials and spare parts for our industry. Our economy is already rehabilitated: it has reached the prewar level and in some fields it has even surpassed it. Bright perspectives are opening up before it for further progress along the path to Socialism.

These results are solely due to the achievements of the laborious Bulgarian people—above all to the heroic working class, the toiling peasants, the Fatherland Front administration, Dimitrov's government and particularly to our militant youth, which by its brigades and troudovaks (statute labor) set examples of labor heroism, to the progressive artisans, the labor intelligentsia and to all toilers who spared neither time nor labor in fulfilling their patriotic duty toward their people and country.

The fulfilment of the plan was wholeheartedly backed by the Fatherland Front, the Trade Unions, the Agrarian Union, the Farmers' Union, the Women's Union, the Artisans' Union, the Union of Anti-Fascist Fighters; these organizations mobilized all workers and kept alive the fire of enthusiasm. Highest tribute must be paid to the Bulgarian Communist Party—the vanguard of the working class and toilers, inspirer and organizer of all the revolutionary and economic reforms of the government as well as of the work done for the fulfilment of the plan.

III. THE FIVE-YEAR-PLAN FOR THE DEVELOPMENT OF OUR NATIONAL ECONOMY

"The chief economic and political task—runs the draft resolution of the Central Committee concerning the Five-Year-Plan—is to lay the foundations of Socialism in Bulgaria along the road of the industrialization and electrification of the country, cooperation and mechanization of the rural economy".

The building of the foundations of Socialism in Bulgaria historically coincides with the liquidation of our economic backwardness. This basic task springs from the fact that the government is in the first place in the hands of the workers, allied with the poor and middle peasants, artisans and labor intelligentsia, led by the Bulgarian Communist Party, and, in the second place, that our country is lagging way behind in its economic development. Taking this into consideration and submitting the economic situation to a profound Marxist-Leninist analysis, comrade Georgi Dimitrov formulated with utmost clarity not only the road but also the tempo of our development: "Our present task", says comrade Dimitrov, "is to enable Bulgaria through the industrialization and electrification of the country and the mechanization of rural economy, to make up for the ground lost in the past, to attain in 10 to 20 years what other countries have achieved in a whole century".

The Five-Year-Plan is a decisive step toward the solution of this chief economic problem. In order that we should fulfil it successfully it is necessary to change the hitherto existing conditions in the development of industry and agriculture with a view to step up industrial production in par icular.

Under the Five-Year-Plan the ratio between industrial production (excluding handicrafts) and agricultural production (excluding forestry and fishing) which is now 30:70, will be altered to 46·8:53·2. During the coming five years our industry will make a big leap in its development, a leap unthinkable under the old regime. The Five-Year-Plan envisages an acceleration of the industrialization process. The main lever in the plan is industry based on electrification and mineral extraction, followed by agriculture. Such is the general line oft he Five-Year-Plan, which will lead to structural changes in our economy and completely alter its physiognomy.

Deep structural changes are envisaged also within industry. The pace of development of heavy industry is much quicker than of light industry. The ratio between light and heavy industry which was 79·3:20·7 in 1939 and 70:30 in 1948 will be 55·5—44·5 in 1953.

The national income was 47·8 billion leva in 1939 at stable prices. In 1948 it went up to 51·8 billion leva, at the

end of the Five-Year-Plan in 1953 it will be 95·7 billion leva, an increase of 85 percent over 1948 and of 102 percent over 1939.

1. INDUSTRY

The volume of industrial production in 1953 increases by 119 percent over 1948. But whereas the general growth of industrial production doubles, the output of the means of production increases 3·2 times.

The basic funds in industry increase from 11 billion leva in 1939 (at stable prices) to 34·6 billion in 1953. In heavy industry they increase from 3·8 billion leva to 21·8 billion leva and in industry from 7·2 to 12·8 billion leva.

"The Soviet method of industrialization — says comrade Stalin—differs radically from the capitalist method of industrialization.

"In the capitalist countries industrialization usually starts with light industry . . . It is clear that the Communist Party could not start along this road. The Party recalled Lenin's words that without a heavy industry it would be impossible to safeguard the country's independence, that without it the Soviet regime might perish. That is why our Communist Party rejected the usual way of industrialization and began the country's industrialization by developing heavy industry. This task was greatly facilitated by the nationalization of industry and banks which enabled us quickly to collect the necessary means and allocate them to heavy industry".

These Stalinist principles form the basis of the Five-Year-Plan. Our Party also follows the instructions of comrade Georgi Dimitrov "let us create our own solid economy, our own viable industry including heavy industry".

Under our Five-Year-Plan the volume of production of heavy industry will increase by 68·2 percent in 1953 as against 1939 and by 123·4 percent as against 1948. The relative weight of the industry producing means of production will increase from 20·7 percent in 1939 to 44·5 percent in 1953.

From the total sum of capital investments, 38 percent goes toheavy industry which can be distributed as follows: extracting industry 18·7 percent; power production — 36

percent; heavy industry — 32·5 percent and co struction of dams — 12·8 percent. Furthermore, the most important sectors of industry producing means of production are allotted the following capital investments: heavy chemical industry— 10·5 percent; machine-building — 6·4 percent; building materials — 3·8 percent; metallurgy — 2·6 percent, etc.

Coal production in 1953 increases three-fold as against 1939, ore production — 21-fold and non-ore production 4·5-fold, machine-building — 65-fold, while metallurgy and power production shall in fact be created under the Five-Year-Plan.

In this way, power production (in volume) will jump from fifth place in 1948 to third place in 1953; metallurgy goes from 18th place to 4th; machine-building—from 13th to 8th; electrical industry from 15th to 10th place.

The separate branches of heavy industry under the Five-Year-Plan take on the following aspect;

Power Production

Power production will be greater in 1953 by 221 percent than in 1948 and about 7 times as great as in 1939. But during the first three years of the Five-Year-Plan it will meet the needs of the national economy under considerable tension and it is only during the second half of the Five-Year-Plan that it will overcome all difficulties.

During the first Five-Year-Plan several steam power stations will be put into operation while at the same time conditions will be created, through the building of dams, for the development during the following Five-Year-Plan of power production chiefly, through the water power plants. In 1953 the steam power stations (thermal stations) will produce twice as much power as the water power stations.

The percentage of electric power, used for operative purposes, will increase from 70 percent in 1948 to 81 percent in 1953. The electrification net will be widened to include first the industrial regions, the rural farms and the railroads. 1,800 localites will be supplied with electricity.

Coal Production

Coal production must satisfy the growing needs of electrification, industry, transport and heating. It is envisaged that in future lignite coal become the main fuel, which

makes it necessary that all new industrial construction and the thermal power stations be built with a view to consuming lignite coal. The building of several special feeding installations will assure the better quality of coal. The plan envisages a 200 percent increase in the total production of coal in 1953 as against 1939.

Brown coal output will increase by 112 percent in 1953 as against 1939 and the production of lignite coal will be 25 times as much as in 1939 and more than 4·4-fold the 1948 figure.

Ore output will get considerable impetus; by 1953 the output of iron ores will be 5-fold that of 1948; the output of lead and zinc ores — 67 percent; that of pyrites — 234 percent and that of copper ores — 27 percent, above 1948.

Total value of non-ore quarries in 1953 is to increase by 260 percent over 1939, and by 148 percent over 1948. Salt output is to increase by 185 percent over 1939 and to double that of 1948; kaolin — 364 percent and 244 percent resp.; quarry materials — 75 percent; pavement blocks — 64 percent; polished stone slabs — 42 percent; fire-proof clays — 180 percent, as against 1948.

During the Five Year-Plan new large-scale geological and mine researches will be carried out to tap the wealth which lies hidden in the bosom of our soil. In this respect, we have the valuable cooperation and assistance of Soviet specialists who are already working in this sphere of our upbuilding.

Metallurgy

Production of gray cast-iron in 1953 will be 14 times as high as in 1948. Production of steel and semi-finished articles such as rolled wire, profile iron etc. will be started; production of colored metals will be stepped up and lead production will be increased 7·5-fold; production of zinc, copper convertor and electrolyte will be commenced.

Machine-Builging

Priority will be given to the production of tools and machine, such as lathes, drills, presses, fraises, springs and compressed air-hammers. All these machines will be used for the fabrication of means of production.

Production of small steam boilers, gas generators water-turbines for small and medium size power station, petrol and gas motors up to 15h. p., Diesel motors over 20h. p. will be intensified.

Under the Five-Year-Plan, parallel with the intensification of the existing industrial branches, the building of machines for public works will be started: concrete mixing machines, stone crushers, box-cars, mobile compressors and compressed airhammers, mobile iron frames etc. Production of some of these machines will commense in 1949. Production of machinery, installations and means of transport will be increased 58 times in 1953 as against 1948.

Special stress is put on the production of agricultural machinery, which will speed up the radical reorganization of our rural economy. It includes tractor-driven as well as ordinary cultivators and ploughs, sowing machines, tractor-driven and ordinary sheaf-binders, tractor-driven reaping machines, hay-collecting machines, threshing machines, seed-cleaners, sprayers, straw-cutters, straw-presses, centrifugal irregation pumps.

Our machine-building industry will also supply other industrial branches with machinery, such as carpentry machines, food-processing machines and machines for our wine textile, rubber, leather, ceramic and other industries.

The production of small refrigerating installations, automobile and industrial spare parts will be started in Bulgaria: production of freight cars, iron freighters and barges will be expanded. Auto repair shops will also be set up.

In general the production of industrial machinery will be 65 times greater in 1953 than in 19.9 and 5·8 times more than in 1948.

The production of electric machinery, started only in 1948, will increase 7·4 times under the Five-Year-Plan.

In 1953 the production of electromotors will exceed 11 times that of 1948 and will just about meet the country's need. The production of transformers will be 13 times greater than that of 1948: of telephone apparati — 3·5 times greater; of electric bulbs — 9 times greater. This increased production of our national machine industry will be the achievement of our engineers and workers.

Metal processind

In 1953 the value of metal processing will exceed that of 1948 by 166 percent and that of 1939 — by 400 percent. The production of iron constructions in 1953 will be 11 times greater than that of 1948; that of bolts and nuts — 317 percent greater. The percent increase in the output of pipes and armatures — 25; of cast-iron articles — 128; of horse shoes and nails — 107; of ordinary nails — 114; of various tools — 104; and of tin sheet products — 126.

Heavy Chemical Industry

The production of sulphuric, nitric and chloric acids, coke, nitrogen fertilizers, soda calcium, caustic soda, cellulose and a series of other chemicals which are of great importance for our industry and rural economy will be expanded. The production of our charcoal industry will be 5·8 times greater in 1953 than in 1948 and ten times greater than in 1939. Chemical industry will also produce acetic acid, colophon, boric terpentine, lin-seed oil, lacquers, explosives, mineral dyes, zincwhite, ultramarine, (in part also anyline dyes), etc. The major part of the above mentioned articles will be produced for the first time in our country. This is an entirely new production, unknown to capitalist Bulgaria.

In 1953 production of heavy chemical industry will increase by 146 percent as against 1939 and will be 4·5 times greater than that of 1948. This great development of our chemical industry is due to the fortunate fact that our country has a sufficient amount of raw materials — the salt springs in Provadia, the Maritsa lignite coal, the lumber of our forests, our pyrites, etc.

The new production of our heavy chemical industry will reach its full capacity in 1954.

Production of Building Materials

To meet the needs of the construction program, the production of building materials will exceed in 1953 by 155 percent that of 1948 and by 367 percent that of 1939. The production of cement, lime, bricks, fire-proof materials concrete pipes will be greatly developed.

Porcelain and Glass Industry

This industry will cater mainly to the needs of electrification and the construction program. In 1953 its pro-

duction will be 3·8 times greater than that of 1948 and 9·5 times greater than that of 1939. The output of the heavy glass industry, particularly that of flat glass, will be considerably increased. Alongside with this the production of pressed and hollow glass for technical purposes is given a start.

Heavy rubber industry is given a larger development and will be able to satisfy the needs of our industry for transmission and trapezoid belts and other technical rubber products. The production of automobile tires will increase 733 percent in 1953 as against 1948.

Heavy rubber industry will attain a total increase of 447 persent as against 1948 and will be 16·6 times greater than that of 1939.

Wood Processing Industry

In 1953 the output of this industry in plants will increase 37 percent over that in 1948 and 55 percent in beams. Its growth for the respective years as against 1939 will be 121 percent and 165 percent. This rate of development will secure the necessary wooden material for our mines, railroads and the building program.

This powerful impetus in industrial development will improve the living standards of our working people will consolidate the leading role of the working class, strengthen the union between workers and peasants and guarantee our national independence and sovereignty. That is why our party must mobilize all its forces and energy for the successful execution of this fundamental task under our Five-Year-Plan.

Light Industry

The plan for light industry aims at making use of its available capacity. Some new improvements are introduced, the system of three shifts is adopted, considerable betterment is envisaged as regards the quality of goods and the development of certain branches whose products will satisfy local consumption, and our export trade will be enlarged.

A series of structural changes are also envisaged in the fulfilment of the production program by years, as well as certain changes in its various branches, i. e. chemical industry shifts over from 7th place to 4th place in 1953;

polygraphic — from 4th to 8th place; glass industry — from 13th to 11th place; electric industry — from 10th to 7th place.

The total output of the lighter industries grows as follows:

1939 . . . 100
1948 . . 151
1949 . . . 182
1953 . . . 265

The production of light industry will increase in the five year period 2 65 times as against 1939.

The various branches of light industry will increase their production towards the end of 1953 in the following way as against 1939:

1. Textile industry . . . . 2·3 times
2. Chemical industry . . 3·9 "
3. Rubber industry . . . . 7·8 "
4. Leather and fur . . . 2·0 "
5. Paper and carton . . . 3·4 "
6. Food stuffs . . . . . 2·8 "
7. Glass industry . . . . 9·8 "
8. Tobacco industry . . . 1·4 "
9. Wood processing . . 3·5 "

Regarding the separate industries the Five-Year-Plan envisages:

Textile industry

Liquidation of the disproportion between the spinning and weaving industry, with a maximum increase in the use of local raw materials (cotton, wool, flax, hemp, silk and others) In order to decrease imports.

Improvement of the cotton spinning industry: great variety in produced goods; making full use of the entire production capacity of our textile factories, etc.

The tasks set before the textile industry by the Five-Year-Plan will be fulfilled without resorting to the construction of new factories, but just by improving the existing enterprises.

In the light chemical industry are envisaged 16 kinds of chemical products, such as glycerin, etherial oils, essences, glue, glastics etc.

Production of light chemical industry in 1953 will be 134 percent greater than that of 1948 and 290 percent greater than that of 1939.

Polygraphic will fully satisfy the needs of our country during the Five-Year-Plan. The growth of polygraphic production is adapted to the available stocks of paper for every separate year, and it is only in 1953, when the cellulose plant will start operating, that production will be increased.

Foodstuffs industry which processes the products of our rural economy, will constitude about 21 percent of the value of industrial production in 1953 and 33 percent of the volume of light industrial production for the same year.

Considerable expansion of its basis is envisaged, by reconstruction of its main branches.

The plan envisages an increase in production of 93·1 percent for 1953 as against 1948 and provides for the production of a considerable quantity of etheric oils, macaroni, tinned foodstuffs, sugar and confectionaries, beer, alcohol, wine, vinegar, starch, glucose, yeast, tobacco products, various pastes, frozen fruits and others. It also provides for the enlargement, rationalization and establishment by s c-tors of the oil-yielding industry which in 1953 will increase its production by 187·6 precent as against 1948.

The plan envisages the building of a considerable number of bakery-plants which will be a starting point for the solution of the bread problem. These bakeries will supply the population with cheap and high-quality bread.

It further foresees the production of a special kind of food for children, made of hard wheat, of oat kerneis, of soya beans, of condensed milk and of apple and wild roseberry flour.

The plan does not envisage new constructions, but only the enlargement, rationalization and establishment by sectors of the existing mills. The production of flour in 1953 will exceed that of 1939 by 76 percent.

The canning industry will be enlarged, while the existing enterprises will be expanded and re-equipped — construction of new canning combines and of a special pectine factory.

Our tinned vegetables and fruits, particularly strawberry, raspberry and apricot pulps, our jellies and jams find a good market abroad on account of their fine quality and rich sugar content.

Compared with 1948 production, the 1953 ontput of the canning industry will be 3 times larger.

The Five-Year-Plan envisages the creation of a new industry for combined forage, the need of which has been felt for many years.

According to plan the tobacco industry will develop in a proportional degree.

Sugar output in 1953 will exceed that of 1939 by 200 percent. According to plan full use must be made of the Soviet and Czech experience in the preservation of sugar-beet during the winter months. This will help extend the period of sugar production.

The plan further ensures sufficient quantities of sugar for the canning and other industries.

Compared with 1939 production, the 1953 output of confectionaries will be 119 percent larger.

The deep-freezing milk-processing, rice, beer, alcohol, starch, glucose and other food industries will be considerably increased during the five year period.

The leather industry will be thoroughly reorganized and enlarged to rationalize production and adapt the respective factories to definite kinds of materials. Production will be increased by 81·6 percent in 1953 as against 1948.

The fur industry, one of the newest industries, has rapidly developed in our country. The Five-Year-Plan provides for an increase in the export of processed furs at the expense of unprocessed ones. In 1953, the output of processed furs will exceed that of 1948 by 150 percent.

The Five-Year-Plan envisages an intensification of the shoe-making industry, whose production in 1953 will exceed byl 36 percent that of 1948. The mechanization of this industry by supplying it with modern tools will alleviate the workers' burden and cut down cost.

The plan foresees a several-fold increase in the production of the rubber industry. Considerable sums will be invested for the enlargement and reconstruction of this industry.

In 1953 production will increase by 55 percent as against 1948 and by 681 percent as against 1939. The output of sandals for village consumption will increase by 702 percent in 1953 as against 1939. Measures have been taken for a considerable increase in the production of snowboots, galoshes, overshoes, etc. In 1953 their production will exceed the 1939 output by 363 percent and that of 1948 by 80 percent. The quality of rubber footwear products will be greatly improved.

The Five-Year-Plan also assures the further development of other branches of light industry, such as the paper, wood-processing, porcelain, glass, metal-processing and electrical industries, the production of which is meant to satisfy the everyday and cultural needs of the population. During the five year period these industries will increase their production 2·5 to 3 times over 1939.

Local industry and handicrafts will become a substantial source for the satisfaction of the growing needs of the population for mass-consumption goods and particularly for services.

The extent of local industry, compared with that of 1948 (at 1939 prices), will increase twice, that of handicrafts — 2·4 times. The plan sets as its task to transform the petty and irrationally organized artisan workshops into larger production units, in the form of labor productive artisans' coöperatives.

The setting up of 1,200 new labor productive coöperatives is envisaged with a number of 60,000 members-coöperators, chiefly master-artisans.

Furthermore, some 50,000 artisans will be engaged in the artisans' branches of the coöperative farms and machine-tractor-stations. A great number of artisans will have to be directed to the state industrial enterprises in order to satisfy their needs of man-power. An insignificant part of them will have to re-qualify and enter other branches of our economy.

Light industry, which will be built up on local raw materials of vegetable and animal origin and on our im-

ports, will play a significant role in the development of our national economy, give impetus to Bulgarian agriculture and raise its revenue. It will also help through its accumulations our new construction program. Irrespective of this, the development of light industry will engage a considerable number of new workers during the five year period.

The fulfilment of the plan in industry will make it possible not only to improve the material conditions of our people but to set aside certain surpluses for export as well.

2. RURAL ECONOMY

The five year plan foresees the wide development of our village economy chiefly by means of cooperatives, a higher lever of technique and mechanization and the considerable limitation, removal and liquidation of capitalistic elements in the villages.

General production is to increase 59 percent compared to 1939. This includes a 62 percent increase in plant production and 44 p rcent in cattle and fowl breeding, while game is to be doubled compared to 1939 and the produce of fisheries trebled.

Agriculture

The Five-Year-Plan foresees an increase of arable land to the extent of 165,000 hectares, which is to be obtained by draining bogs and marshes, using open spaces in the forests, pasture lands and common lands and the improvement of desolate lands, etc.

Together with the increase of general production, plant production is to be progressively increased at a rapid rate— 78 percent as compared to 1948, and 142 percent for cattle and fowl breeding.

Production of grain is increased 20 percent compared to 1939, counting a mean yield of 37 kgrs per acre. This production ensures plenty of food for the people and the army, leaving considerable reserves.

Production of grain fodder in 1953 — corn, barley, oats etc. — is to be 23 percent more than in 1939, which together with industrial leftovers will ensure the food necessary for cattle. The area of industrial cultures will, by

1953, have been increased by about 50 percent in comparison with 1939. Production of plant fibres by 1953 is to show a 200 percent increase compared to 1939, cotton is to be up 233 percent, counting a medium production of 5·7 kgrs pure cotton per acre; production of oilbearing plants is to attain 71 per cent more, of which sun-flower seed twice as much as in 1939; sugar beet also twice as much as in 1939.

Production of a series of other industrial plants, such as hemp, flax, fibre-giving and oil-bearing plants, soya bean, castor bean etc., all nighly necessary for our industry, is to be progressively increased. Tobacco is to be 17 percent increased in comparison with 1939.

Production of fruit and grapes in 1953 is to be 60 percent increased in comparison with 1939. Grapes alone are to be increased 13 percent.

Cattle Breeding

For 1953 the plan foresees an increase of 9 percent for horses compared to 1947, oxen and buffaloes 20 percent compared to 1939, and 17 percent compared to 1947. Sheep are to be increased to 10 million heads, while the number of goats is to be cut down and no flocks will be allowed in future.

From 12,800,000 in 1939 and 10,000,000 in 1947, birds are to increase to 25,000,000 in 1953. Pigs, which numbered 867,000 in 1939 and 852,000 in 1947, are to attain 2,200,000 by 1953 — an increase of 154 percent. The quality and structure of the herds is also to be improved.

The Five-Year-Plan, insofar as the development of fowl and cattle breeding is concerned, stresses chiefly the development of pigs and birds, as the problem of providing the population with meat is thereby most rapidly solved and that of cattle breeding which will solve the problem of providing the population with milk and milk products.

On the basis of improved fodder, better care, improved quality of the cattle by choice of higher yield breeds and by race improvement by means of cross-breeding the productivity of all kinds of animals will increase and general production in 1953 will rise as follows: animals for slaughter will increase in live weight by 49 percent in comparison with 1939 and by 125 percent in comparison with 1948; milk production, compared to 1939, is to increase by 71 percent, and by 72 percent as compared to 1948.

Production of wool is to increase by 41 percent compared to 1939 and 35 percent compared to 1948, a great part of it being merino, which will allow a decrease in the import of this wool from abroad.

Production of eggs is to increase by 126 per cent in comparison with 1939 and 202 per cent compared to production for 1948.

Measures for Production of Plants

The Five-Year-Plan foresees the application of the newest achievements of agricultural science, first and foremost the introduction of proper high-grade grass rotation of crops (state farms are to introduce it 100 percent). All cooperative farms, as well as irrigation regions, are to be placed, from the very beginning of their organization, on the basis of a proper structure and the application of high-grade grass crop rotation methods. The state farms have been assigned the task of beginning production of all kinds of grass seed including pasture grasses in maximum quantities.

Proper systems of working the land are to be introduced, including the immediate turning over of fields which have been reaped, and deep ploughing in the autumn, etc.

The Five-Year-Plan foresees an increase in areas sown with all sorts of cultures as well as in the sorts of cultures sown. Seed for grain, rice, cotton, tobacco, hemp, sunflower etc., is to be completely replaced by improved sorts.

Manuring with ordinary manure is to be placed on a sounder scientific basis by building up modern manure heaps in all public farms. The use of artificial manure is increased fourfold, the use of about 55,000 tons of artificial manure being foreseen for the last year of the plan.

In 1953 about 750,000 acres of land are to be under irrigation, and the waters of the dams "Rossitsa", "Topolnitsa" and "Vassil Kolarov" will be in use at the end of the Five-Year-Plan. The waters of the Danube will be used to irrigate an area of about 175,000 acres of the low-lands. The use of the waters of local rivers and streams by means of dams is to be introduced and the use of running rivers is to be developed for the same purpose. The use of the waters of certain lakes and marshes (such as the Shablen marsh) is also foreseen.

In Dobrudja and other plains defensive forest belts are to be created, which are to protect the sowings from freezing in winter and the soil from drying up in summer, thus assisting the increase of yield from the land. Fruit trees are to be systematically and ceaselessly planted along all highways and by-ways as well as along the canals of all irrigation regions.

Measures for Fowl and Cattle Breeding

In fowl and cattle breeding, as well as in plant cultivation, the main task is the introduction of the principle of coöperation. Each coöperative farm is to have a cattle breeding farm attached to it.

The development of fowl and cattle breeding will be achieved by the creation of cattle breeding farms under the People's Councils, Regional Coöperative Councils, universal coöperatives and other public organizations.

Together with the universal improvement work on animals along the lines of selection of most highly productive animals, the widespread introduction of cross-breeding of local breeds with better breeds is foreseen: Montafone, Siemental for cattle, for sheep cross-breeding with Merino rams, Caracul, Ziegei and others.

The lack of stallions, bulls, rams etc. which is at present the cause of sterility and extremely low reproductivity of all animals, is to be removed. According to approximate data sterility of mares is 50 percent, of cows — 30 percent, she-buffaloes — 50 percent, sheep — 10 percent. Ensuing economic losses amount to 9 or 10 billion leva a year.

In order to achieve a more rapid improvement of breeds and as preventive and veterinary-hygienic measures the Five-Year-Plan foresees a rapid development of artificial insemination of animals.

The Five-Year-Plan practically solves the question of fodder. Lucerne and other perennial grasses are widely introduced into village economy. The area and productivity of concentrated fodder is greatly increased. To ensure best quality and full food for the animal the production of combined foods is introduced by building special plants for it.

The construction of special pits for grain is foreseen in all public farms.

Veterinary Sanitation Works

Losses from dead animals amount to over 8 billion leva a year. By the end of the Five-Year-Plan these enormous losses are to be considerably abated as a resuls of a number of veterinary measures, such as the yearly examination of domestic animals in order that all those suffering from infectious and parasitic diseases may be discovered, that mass immunization be carried out in regions threatened by infectious diseases, and the mass destruction of parasites be also carried out: a sufficient quantity of high-grade serums, vaccines, diagnostic and other preparations is also to be produced.

The plan foresees the development of veterinary and sanitary control, hygiene and technology over all animal products intended for public use, which is a guarantee for the production of high-grade products which will not endanger public health.

Mechanization of Rural Economy

According to the Five-Year-Plan the mechanization of rural economy is foreseen and it is placed in relation to coöperation, which will enable it to move forward at a very rapid rate; fundamental activities, such as ploughing, sowing, gathering in the harvest etc., are to be mechanized, the heavy work, which has so far been done by hand or with the aid of cattle, it to be done by machines and chiefly by tractors.

The machine-tractor-stations—the mainspring of mechanization are to increase from 20 in 1946 and 70 in 1948 to 150 in 1953, while the machines themselves are to increase as follows: tractors to 10 000, tractor ploughs to 13,000, tractor sowing machines to 4,300, tractor binders to 4,400, threshing machines to 5,300, combines to 100.

State Farms

An important sector of rural economy is the state farm, small in size but highly important as regards its role in the socialist construction of our country.

Before the 9th of September 1944 state farms covered an area of only 26,000 acres. In 1948 tens of new

farms were formed, their total area covering 175,000 acres, and by the end of the Five-Year-Plan they should attain 300,000 acres.

These farms are to function as model socialist enterprises, models for coöprative farms to show them the path of development of our rural economy. They are organized on the basis of self-support and are expected to arrange their work in such a way as to supply the coöperative and other farms with high-grade seeds, vine, fruit and other planting material and select breeds of stallions, bills etc. for fertilizing purposes. With this aim in view, from the very first years of the Five-Year-Plan the state farms must introduce the most perfect agricultural technique and build up the creation of field protection belts in the plains, and particularly in the Dobrudja farms, on the basis of grass crop rotation. More than 10 percent of the investments of the Ministry of Agriculture and Forestry are, according to the Five-Year-Plan, set aside for state farms.

Coöperative Farms

Our village economy has about 1,100,000 farms, the land of which is scattered and divided into more than 12 million strips. This parcelling does not allow the introduction of machines, nor the full use of agricultural science. Hence the great majority of village farms are unable to achieve increased production. The farms of the poor and the majority of middle class peasants are unable to develop to a great extent. They are barely self-supporting and live very miserably.

In its present state rural economy cannot satisfy increased needs, condemens poor and middle-class peasants to a miserable existence and threatens even the town population with recurrent famines.

"With small farms" says Lenin, "want will not be removed", (Lenin, vol. XXIV, p. 540), and elsewhere: "If we remain in the future with small farms, even though we be free citizens of our land we are threatened by inevitable ruin" (Lenin, vol. XX, p. 417).

On the one hand, we are building an industry which is to achieve an increased socialist production, on the other hand, we have a rural economy of small and scattered holdings which is not capable of yielding even an ordinary

production. We ask: can our revolutionary people's authority, which has thrown off the power of capital and is advancing towards the construction of the foundations of Socialism, have two different bases on which to depend? Evidently not. It is necessary for our backward rural economy to be reorganized and placed on such lines as to be in harmony and not in contradiction to the development of industry. How can this be done, where does the solution lie?

"The solution", says Stalin, "lies in the transition from small and scattered holdings to large and amalgamated farms, founded on the public tilling of the soil, in the transition to its collective tilling on the basis of a new high-grade technique. The solution lies in the gradual and irrevocable merger of the small and smallest farms, not by force, but by example and persuasion, their merger into large farms based on the public, joint, collective tilling of land with machines and tractors and according to the scientific methods of intensive agriculture. There is no other solution."

The coöperative farms in our country are the form by means of which, with its further development and a series of auxiliary enterprises, our rural economy will move towards Socialism and our people's authorities will rest upon one single foundation — socialist industry and socialist village economy.

The coöperative farms have achieved their first successes. In spite of the fact that they were in a period of organization, in spite of the difficulties in the wake of three years of drought and all the manoeuvres of class enemies, they won the sympathy of the poor and middle-class peasants.

The number of coöperative farms has increased to over 1,000 during 1948.

The Five-Year-Plan foresees that by 1953 these farms will include, on a voluntary basis, 60 percent of our rural economy, in order to achieve production effects in the shortest possible time.

The plan foresees that, in 1953, 60 percent of general agricultural produce and 72 percent of goods production will be obtained from the public sector.

Forests

The production of timber during 1953 is to be 105 percent higher than in 1939 and 15 percent above 1948. Tim-

ber for building purposes in 1953 is to be 128 percent higher than in 1939 and 48 percent higher than in 1948.

The Five-Year-Plan has set the task of afforesting to a large extent all non-productive land and torrent beds, empty spaces in forests and along the banks of rivers-by planting trees with a rapid growth. Large areas of sparsely wooded forests are to be reafforested; the composition of forests is to be improved by creating areas of mixed planting, and by special care of cultures and plantings.

The increase of state forest nurseries is foreseen, every people's council being requested to organize such nurseries for its own use.

Plans for the forests include the creation of those field-defensive belts mentioned above.

New roads are to be built to the extent of 2,050 klms in order to exploit hitherto inaccessible forests.

A 60 percent mechanization is foreseen which will considerably lighten the labor of the forest worker and increase his productivity in cutting and transporting timber.

In order to create better conditions for the lumber jack a big program of building houses, work shops e.c. is foreseen. The improvement of mountain and alpine pasture lands is also foreseen.

Fishing

The production of fishing in 1953 is to amount to 16,900 tons incl. dolphins. mussels and prawns), an increase of 280 percent compared to 1949 and 167 percent compared to 1948.

For the first time in 1949 fishing will be done out at sea and not along the coasts. The stocking of fish from the 5,000 acres in which fish has been artificially bred in 1948, is to attain 20,000 acres in 1953. Fish-breeding farms are to be built to the extent of 12,000 acres during the Five-Year-Plan, etc.

The state fish-breeding and fishing economy during 1953 is to have caught over 10,000 tons of fish, prawns, dolphins and mussels, which is to be 61 percent of the total catch; it is to build its own fish-breeding farms with an area of 6,700 acres, which are to form the chief basis for

the production of material (high-grade breeds) for the stocking of rice fields, dams and the remaining public and private fish-breeding farms.

In order to insure the increase of production in all branches of rural economy during the Five-Year-Plan, the volume of investments is established at 75 billion leva, of which 13,3 billion leva for development of machine-tractor stations, 5,5 billion for state farms, 1,5 billion for fisheries, 14 billion for improvement — drainage and irrigation, 20 billion for cooperative farms, 14 billion for forestry; 5,5 billion is set aside for the assistance of the general activities of the Ministry of Agriculture an forestry in improving national economy in general.

The most difficult guestion, the structural and social reconstruction of our rural economy, will be in the main settled. The problem of grain will also be solved.

At the end of our Five-Year-Plan our rural economy will have changed its face completely and have broken forever with backwardness and primitiveness. The peasants will have set their feet firmly on the road to a life of plenty, joy and happiness.

3. TRANSPORT AND COMMUNICATIONS

The growth of our national economy makes new demands upon our transport and particularly upon our railroads, which carry the greater part of our goods. The part to be played by the post, telegraph, telephone and other means of communication is also greatly increased.

The increase of traffic in 1953 compared to 1948 is to be: rail transport: goods by 38 percent, passenger by 28 percent; auto-transport respectively by 198 and 102 percent; water transport by 133 and 15 percent; air transport by 932 and 632 percent; communications — post by 57 percent, parcel post by 36 percent, telegrams by 20 percent, trunk calls by 144 percent.

For the fulfilment of the tasks set by the Five-Year-Plan railroad tracks are to be increased 14 percent, engines — 9 percent, trucks and coaches 4 percent, motrices 150 percent. The use of rolling stock is to be improved by increasing the average static and dynamic load, the average commercial rapidity of freight and passenger trains, the average brutto weight of freight trains etc. Mechanization of the work of loading and unloading is to be doubled during

the Five-Year-Plan, the yearly percentage of engines and rolling stock sent to the workshops for repairs is to be diminished and a series of improvements in railroad traffic is to be made.

Mechanization of loading and unloading is expected to reach 64 percent in all ports, which figure is to be surpassed in the larger ones.

In air transport the Five-Year-Plan foresees a 164 percent increase in the length of home air lines, and a 319 percent increase in international lines, the number of transport planes to be 244 percent increased, while those at the service of sanitary authorities and rural economy will be increased by 65 percent.

The Five-Year-Plan foresees the construction of administrative buildings and houses, benzine reservoirs and workshops etc. The total sum of investments in air transport is over 2,2 billion leva.

For communications the Five-Year-Plan foresees an increase of telephone and telegraph cables of 34 percent in 1953 compared to 1948, cables between cities to be increased by 57 percent.

The length of postal roads to be increased by 1953 by 7,850 kims in comparison with 1948, the number of P. T. T. offices by 500, of settlements served by the post by 1,720, of settlements connected by telephone by 1,930, of private telephones by 72,000 and so on.

1. During the Five-Year-Plan 6,962 kims of village lines will be put up, which will connect 1,370 villages by telephone.

2. In five years, 96,623 telephones will be installed, of which 54,565 will be automatic. The Sofia automatic central will have 25,000 new numbers and the Plovdiv central 10,000.

3. 403 telegraph apparatuses are to be supplied, of which 280 teletype.

4. As one of the newest equipments and achievements of communications technique, 5 phototelegraph apparatuses are foreseen, by means of which the exchange of photographs and documents between Sofia, Plovdiv and Varna will be organized.

5. For the improvement of the radio-telegraphic service two new transmitters are to be mantled and the capacity of the existing ones to be increased. The present radio

telegraphic receivers will be replaced by auxiliary and more modern ones. A series of other improvements are envisaged too.

The completion of all these tasks will result in the higher level of our communications, corresponding to the economic, social and cultural development, so that the P. T. T. will really come to be a stimulating factor for the construction of the foundations of Socialism in our country.

4. CAPITAL INVESTMENTS

For the advancement of our national economy, the Five-Year-Plan envisages a corresponding expansion of construction.

The general amount of capital investments for the five years has been fixed at 425 billion leva.

The capital investments for 1949 constitute 15 percent and for 1953 — 18 percent of the respective yearly national revenues. Its average percentage for the Five-Year-Plan amounts to 17.

Of the total sum for capital investments, 62 percent are envisaged for construction and 38 percent for machines and implements.

The sum foreseen for the new constructions constitute 81 percent, whereas that for amalgamation, reconstruction and repair — 19 percent of the total.

The plan envisages 83 percent for economic construction and 17 percent — for household, cultural, etc. construction (including that in the economic and other fields).

For household, cultural and other constructions in the economic field, 20 billion leva are foreseen, mainly destined for workers' houses at the enterprises, with the aim to improve the workers' living standard and facilitate the participation of laborers in production.

The plan charters the outlines of the capital investments for the five year period, expressed in percentage as follows:

Industry	40·0 percent
Rural economy	17·5 "
Transport and roads	22·0 "
Communications	2·3 "
Trade	0·7 "
Mechanization of construction .	1·2 "

Cultural, communal, household and other non-economic constructions	11·5	percent
Special construction	2·4	"
Reserves	2·4	"

In Industry

a) Capital investments for electric construction —

Considerable sums (16 percent) are allotted by the plan for electric construction. The following power-stations are to be built and set into exploitation during the five year period:

"Tec", "Maritsa II", "Maritsa III", "Republic", "Gabrovo", "Nadezhda", "Andre", "Pernik I", "Vec", "Assenitsa", "Vidima", "Tuzha I", "Tuzha II", "Rositsa I", "Rositsa II", "Gorni Lom", "Vassil Kolarov" "Topolnitsa", "Georgi Dimitrov", "Beli Iskar", "Passarel" and others.

The plan envisages the building of several power stations whose completion will take place after 1953, i e. during the second Five-Year-Plan. The major power stations are as follows: "Tec" — Sofia, "Vec" — Sestrimo, and others.

b) Capital investments fore extract industry.

The sums envisaged for the extract industry (6·2 percent) are mainly allocated for enriching and purifying installations, subsoil implements, machines, transport fittings and others. Considerable sums are foreseen for mining-geological researches (7 billion) and for household and other construction (6·5 billion). According to the plan, the following major objects pertaining to the extract industry shall be built and set into exploitation:

purifying installation for caoline;
two enriching installations for copper ores;
an enriching installation for coal;
an enriching installation for lead;
cables — 24 klm and other.

The building of quite a few objects is foreseen with a view to their completion during the next five year period. The major ones are:

a salt-extract installation;
a purifying installation for coal;
a briquette installation;
an enriching installation for coal and others.

c) Capital investments for industry.

The plan envisages 17·7 percent of the total amount of capital investments for the construction of industry. 61 percent are allocated for heavy industry and 39 — for light industry. The sum envisaged for household and other construction is valued at 6·63 billion leva — 4·17 billion leva for heavy industry and 2·46 — for light industry.

The value of machine and fittings set aside for the construction of industry amounts to 50 percent and that for construction of heavy industry rises up to 53 percent.

The new industrial construction amounts to 75 percent, whereas that of heavy industry — 83 percent, and that of light industry — 57 percent.

The plan envisages during the five-year curriculum the construction of the following major objects, pertaining to heavy industry:

Lead-zinc plant, metallurgic plant for black metals, 3 plants for building machines, two plants for instrumental machines, a plant for tractor and automobile parts, three plants for agricultural machines, two auto-repair plants a motor plant, a plant for hydraulic machines, a plant for instrumental machines, two plants for iron constructions, a plant for fire-proof materials, a plant for azbest-cement derivatives, the cement plant "Vulcan", a factory for concrete pipes, a plant for faience articles, a glass factory, a plant for automobile tires, a nitrogen fertilizer's plant, a soda plant, coke plant, ten timber processing combines and others.

Through the construction of the heavy industry plants and factories envisaged in the plan, the output of means of production will go 223 percent (expressed in value) over that of 1948.

The following major objects pertaining to light industry are to be built during the five year period:

A factory for nicotine sulphate, a factory for organic products, a chemical-pharmaceutical factory, a plant for glass ampules and hollow glasswork, the combine „Minkova mahala" for yeast, two milk centrals, two meat combines, two bread plants, a combine for fruits, a refrigerating combine for fruit preserves, a combine for fruits, a plant for pectin, six wine-cellars, three forage combines, three factories for furniture and chairs, two factories for newspapers and matrix paper, a woolen textile plant, a spinning factory for thin cotton yarn, a spinning factory

for flax, the factory „September 9th" for shoe articles, reconstruction and amalgamation of the sugar factories etc.

Through reconstruction and amalgamation of existing industrial enterprises and construction of new ones envisaged in the plan, the production of light industry expressed in value will go 70 percent over the 1948 output.

The plan for capital ivestments in industry envisages the initiation of a certain number of objects whose completion will take place during the next five year period. The major objects are: cement plant, fruit plant, fruit-jam combine, sugar factory, etc.

In Rural Economy

The plan envisages 17·5 percent of the total amount of capital investments for construction and mechanization of our rural economy, as well as for the promotion of the public sector trough the building up of coöperative farms, machine-tractor stations and state farms; for household, cultural and other constructions — 3·38 billion leva are allocated.

a) Capital investments for agriculture and stock-raising.

With the sums alloted by the plan for agriculture and stock raising, the following objectives will be built in the main:

80 machine-tractor stations, with the necessary workshops and hangars for agricultural and other machines:

16 state farms, with respective economic and other premises.

About 4,000 coöperative farms with necessary buildings.

Furthermore, the existing 70 machine-tractor stations, 84 state farms and 1,000 coöperative farms will be additionally equipped.

b) Capital investments for forages.

The plan envisages during the five years an investment of 14 billion leva for afforestation of new areas covering 4,500 acres, for the construction of 2,050 kilometers of forest roads, for the completion of the Strandja forest railroad line, for the elaboration of 50,000 cubic meters of fortifying works, for mechanization, exploitation of forests and others.

c) Capital investments for meliorations.

14 billion leva will be invested during the five year period for meliorative constructions, distributed as follows: 2.25 billion leva for drainage objects, 2.25 billion leva — for correction and fortification of rivers, 8.25 billion leva for irrigation objects, 750 million leva — for small irrigation dams, and 200 million leva for housing etc.

d) Other capital investments for rural economy.

1.5 billion leva are envisaged for the fishing and hunting economy and 1.14 billion leva — for auxiliary, agricultural and stock-raising economies, etc.

In Transport.

The sums envisaged for transport, including roads, constitute 22 percent out of the total amount of capital investments. 1.66 billion leva are set aside for housing, cultural and other constructions.

a) Capital investments for railway transport.

The completion and exploitation of the following railroad lines is envisaged during the five year period:

Vratsa—Oriahovo, Lovetch — Troyan, Cherven-Briag — Gigen, Liaskovets — Zlataritsa, Samuil — Silistra, Makotsevo — Sopot. Synchronically 87 locomotives, 5 electrical engines, 120 passenger wagons, 3,250 freight wagons etc. will be supplied.

The plan envisages the initiation of constructions of several railroad lines to be completed during the next five year period. The outstanding of these railroad lines are: Troyan — Christo Danov, Burgas — Elhovo — Gulabovo, Kritchim — Devin — Smolyan — Zlatograd and others.

b) Capital investments for water, air and auto transport.

The sum envisaged for water transport amounts to 6.31 billion leva. Ten cargo boats, 37 barges, 2 tugboats etc. will be built or purchased. The building of harbors at Kavarna and Baltchik is envisaged, as well as enlargement of the Varna, Burgas and Lom harbors and mechanization of all existing ones.

2.2 billion leva are set aside for air transport, destined for the construction of airports, concrete tracks, workshops, fittings and others. The sum envisaged for auto-transport amounts to 11 billion leva and is set aside for the purchase of 3,500 freight cars, 500 buses, etc. and for a thorough repair of the automobile park, for the construction and equipment of workshops, garages and others.

c) Capital investments for roads.

23.5 billion leva are envisaged for roads, destined mainly for the maintenance and reconstruction of the existing road net. Several new roads will be constructed and others paved.

d) Other capital investments for transport

350 million leva are invisaged for the needs of mountaineering (hotels, transport vehicles) and 400 million leva for the expediting net (storages, transport vehicles, inventory and others).

IV. Capital investments for communications (posts, telegraphs, telephones and radio).

The sum envisaged for communications amounts to 9.9 billion leva, distributed as follows: 9 billion leva for the posts, telegraphs and telephones and 900 million leva for the radio.

Automatic telephone centrals, inter-urban cables, telegraph and telephone lines, urban telephone nets, radio-telegraphic transmitters and sets, etc. will be imported and mounted. The construction of post stations, two new radio-transmitters, wire-radiofication of the country, new studio-buildings and fittings thereto is envisaged.

V. Capital investments for trade (exchange and distribution).

3.02 billion leva are envisaged for commercial constructions, mainly invested in construction of storages, shops, exposition palaces, etc.

VI. Capital investments for mechanization of construction.

The plan foresees 5.1 billion leva for the mechanization of construction. The sum is mainly allotted for the importation of building machines.

VII. Capital investments for cultural, communal and other constructions.

11·5 percent out of the total amount of capital investments is set aside for cultural, communal and other constructions (excl. that in the economic and other fields)

Capital investments in the individual branches of cultural and other constructions are distributed as follows:

a) 11.7 billion leva — for education and culture, (primary schools, progymnasiums, gymnasiums, universities and academies, professional and other schools, theatres, playgrounds, stadiums and others).

b) 6.7 billion leva — for public health (hospitals, polyclinics, sanatoriums, maternity homes, etc.).

c) 3.9 billion leva — for social cares (day-time children's homes, creches, resorts stations, etc.).

d) 5·2 billion leva — for housing (workers' cities, municipal houses, student boarding houses).

e) 3·8 billion leva — for administrative construction (administrative buildings).

f) 14·6 billion leva — for communal construction (pipelines, canalization, streets, sidewalks, baths, laundries, bakeries, urban transport etc.).

g) 3·10 billion leva for miscellaneous communal constructions.

The capital investments envisaged for housing (incl. that of enterprises) amount to 19·16 billion leva.

The total sum set aside for the completion and exploitation of the objects envisaged, during the five year period amounts to 395 billion leva.

Our Reserve Possibilities for Economies

Our economy conceals great possibilities for the increase of our reserves. To this end, it is necessary that:

1) Our economic leaders focus greater attention on economic production, strengthen the struggle against lax economy, rationally utilize manpower and economize raw materials and materials in general.

In numerous enterprises one can observe a great lack of economies, waste of materials, great losses in utilization of raw materials, squandering of fuel and electric energy, untimely utilization, etc.

No genuine decisive fight is being carried on for a diminished cost of industrial production and diminished value of construction.

These weaknesses and defects in our national economy have to be done away with as soon as possible.

Efforts should be directed toward making our leaders from top to bottom realize their responsibility before state and people and safeguard the people's goods as model owners, stringently curtailing expenditures of people's money.

In one of his speeches, Georgi Dimitrov stressed:

"A strict regime of economies has to be introduced as soon as possible — economies in materials, electric energy, pecuniary means. Avaliable capitals and people's savings have to be utilized only for productive and people's ends".

2) It is necessary to utilize the technique more rationally and to master the new technique which is annually increasing in our country. We must show in this respect the advantages we have over the capitalist past.

We ousted the capitalists from the administration of the country and economy. The task set now is to show ourserves as good economic administrators.

Our specialists and particularly the engineers technicians and their subordinates must utilize the new technical achievements to economize raw materials and especially the deficit building materials, cement, iron etc. The old norms per cubic meter concrete must be revised and new ones enacted to promote greater economy in construction.

A regime of stringent economy must be substituted for the existing squandering of timber building materials.

The Ministry of Construction and Roads must create new regulations, obligatory to all departments, prohibiting iron and concrete constructions of one or two storey buildings.

All enterprises must strive to attain the achievements of the Soviet Union. This compels us to pay greater attention to our inventors and coordinators, to lend them all-round help in the fulf lment of their important tasks.—

3) It is necessary to reinforce the struggle for a further increase of labor productivity.

As is well-known, Lenin laid particular emphasis upon the fact that "labor productivity in the last analysis is the most important and chief condition for the triumph of the new social order". During the fulfilment of the Two-Year-Plan we upped somewhat labor productivity. Our shock-workers in factories, mines and fields, as well as those who distinguished themselves in offices were guided by Lenin's conception about increased labor productivity. However, there is still much to be wished for in this field.

It is envisaged that labor productivity will be one of the main sources for the realization of the plan.

The total increase of labor productivity in industry is 62 percent. Highest labor productivity is planned in metallurgy — 113 percent, power stations — 101·1 percent, mechan-

ization — 100 percent, metal-processing — 113·8 percent, railway transport — 26 percent, automobile transport — 80 percent, water transport — 132 percent, air-transport — 133 percent and construction — 115 percent.

The chief sources of increased labor productivity are: 1) adoption of high technique; 2) making better use of full-time daily and annual working hours; 3) carrying out of a series of organizational and technical initiatives on a national scale, as well as in the separate enterprises.

There is no doubt that the labor productivity norms aimed at in the Five-Year-Plan are realistic and can even be over-fulfilled. This applies to rural economy as well, which expands the net of coöperative farms and considerably increases the quantity of tractors and other farm machines.

Our shockworkers in enterprises, constructions, transport, co-operative farms, state farms and institutions, whose number will increase at a quick pace under the Five-Year-Plan, will play an important role in cutting down cost and increasing economies.

In our struggle for increased labor productivity we must be guided by Stalin's statement:

"Why can, must and will Socialism at all expense triumph over the capitalist system of economy? Because it can give better standards of labor and higher labor productivity than the capitalist system of economy. Because it can give the population more products and make it wealthier„.

The problem of labor productivity assumes a particularly important aspect under the Five-Year-Plan, for a considerable number of new workers will be attracted to production and constructions. The total number of people engaged in constructions will increase from 149,500 people in 1948 to 160,500 in 1953, or by 7·3 percent, while that in mounting works — by 179 percent.

The total number of people engaged in our transport will increase 28 percent, that of the workers alone — 28·9 percent (from 39.941 to 51.494).

Lower Cost

The Five-Year-Plan makes it its fundamental task to cut down cost.

Percentage of cost to be cut down and economies to be realized under the Five-Year-Plan in

	cost		economies		
Industry . . . . . (excluding artisans in local industry)	14	percent	61.5	billion	leva
Forestry	20	"	4.5	"	"
Transport (railway & auto)	16	"	12.3	"	"
Constructions (mounting)	22	"	34.5	"	"
Maintenance of turnover . .	31	"	17.0	"	"
or a total economy of			130	billion	leva

The above figures do not include the savings of rural economy which will be realized when sickles will be replaced by reaping-machines, wooden ploughs by tractors, the primitive wooden threshers by threshing-machines and when lorries will be employed in transport and electricity introduced in agriculture. Prices of industrial and agricultural products will go down in conformity with the reduction in cost and increase in labor productivity.

IV. PLAN FOR RAISING THE MATERIAL AND CULTURAL STANDARD OF TOILERS

The Five-Year-Plan envisages a perceptible improvement in the material and cultural standard of our toilers. This is a logical consequence of the Five-Year-Plan.

Compared with 1948 the plan makes it its task to almost double the average consumption of the population in 1953 and increase it 60 percent as against 1939. The increased consumption under the Five-Year-Plan will be of primary importance, for we are noticing a constant deterioration of the toiling people's living standard in the capitalist countries. The most vivid proof in support of this are the incessant workers strikes in America, France, Italy and in other capitalist countries, as well as the existence of millions of unemployed. With the exception of seasonal unemployment which also is diminishing, there is no unemployment in our country—there is even a shortage of manpower.

The Five-Year-Plan envisages an increase in the number of workers and civil servants from 809,100 to 947,700 or of 17 percent. The increase in workers will be particularly big in metallurgy—893 percent, machine-production—187 percent, power stations 210 percent, chemical industry — 93 percent.

Compared with 1948, the 1953 workers' wage fund will be increased as follows:

industry	64 percent
construction	64.7 percent
transport	34.1 percent
communications	71.5 percent

It is needless to emphasize that higher workers' wages will stimulate both increased labor productivity of our best workers, master-artisans, engineers and specialists in all the branches of our economy.

The Five-Year-Plan envisages further a considerable improvement of the peasants' revenues. As stated above, the plan foresees a series of initiatives for the upsurge of rural economy. The enlargement of the net of coöperative farms leads to an increase of 30 percent in the revenues of rural economy. Besides this, a considerable part of the working hands for our industry and constructions will be recruited from among villagers. This means that the superfluous manpower in our village will be greatly reduced and this no doubt will bring about an improvement in the material status of tens of thousands of toiling poor peasants.

Compared with 1948, the per capita consumption of the population in 1953 will be:

	1948	1953	
cereals	284	336	kgs.
pulses	17	27.3	"
meat	15.4	35	"
animal fats	3.4	8.8	"
rice	1.9	4.8	"
vegetable oils	2.5	6.9	"
dairy products	8.8	10.7	"
sugar	7.5	10	"
eggs	67	194	
footwear	1.1	1.51	pairs

If one also bears in mind the fact that our rural economy will considerably increase its output, as well as the number of canteens at factories and institutions, one will then clearly understand that the Five-Year-Plan will ensure a genuine improvement in the material status of our toilers.

The conclusive task is to well organize the production storehouses, as well as the net of state and coöperative shops in towns and villages so that the material needs of toilers be properly and timely met.

This all the more is imposed by the fact that the Five-Year-Plan envisages a considerable increase in retail stock-exchange.

Compared with 1948, the Five-Year-Plan foresees the following increase in 1953:

vegetable oils	150	percent
animal fats	353	"
meat	97	"
sugar	197	"
cheese and kashkaval	106	"
eggs	373	"
cotton cloth	76	"
woollen	153	"
shoes and various sandals	48	"
coal	24	"
electric energy	92	"
tobacco products	18	"
soap	160	" etc.

Expenses on the construction program and others for the cultural servicing of toilers during the Five-Year-Plan are evaluated at 48 billion leva.

The Five-Year-Plan envisages an increase in the number of graduates from gymnasiums and universities in 1953, as against 1948.

The number of pupils in the primary schools, as well as that of the specialists in the gymnasiums and universities will be increased.

The net of theatres will be increased by 20.8 percent, of the movies—by 86 percent, of the libraries—2.8 percent, of the radio-transmitters—by 100 percent, radio-receivers—by 2,070 percent. The net of scientific institutions will be expanded.

All this data shows that the constant and marked improvement of the toilers' material and cultural status in the People's Republic of Bulgaria becomes one of the fundamental laws for the development of our national economy.

The victory of the working class in our country created the necessary preconditions for a speedy growth of the toilers material and cultural standard.

The Five-Year-Plan, which traces out a quick development of our industry and rural economy, guarantees the further evergrowing consumption possibilities of our working class.

There is no doubt that the Five-Year-Plan will bring about a perceptible improvement of the workers', peasants' and toiling intellectuals' material state.

V. SIGNIFICANCE OF THE FIVE-YEAR-PLAN.

The Five-Year-Plan essentially differs from the Two-Year-Plan. The latter's task was the rehabilitation of our national economy—this has been fulfilled in its main lines.

Bulgaria takes a new road, that of building the foundations of Socialism.

This is the principal difference between the present and the former rebuilding period.

The new road requires new obligations and will have to cope with new difficulties.

The greatest difficulties will come from our limited possibilities for export and great need of import. Besides the great number of machines, tractors, lorries, machine spare parts and others, we shall also have to import big quantities of black and colored metals, liquid fuel, chemicals, cotton, hides and other raw materials necessary for our economy and industry. Our export is primarily of products of our rural economy which unfortunately survived a series of droughts, resulting in lower production and limited export possibilities.

The difficulties will come from lack of electric power. Even today we feel an acute crisis in this respect. In the coming next few years this crisis will be intensified. Measures are being taken for the supply of certain quantities from Rumania as well as to speed up the construction of a series of power stations in our country, which will be imported from Czechoslovakia and the USSR.

There will also be difficulties of an organizational character—insufficient trained cadres, insufficient experience in the economic field. There will be also sabotage by the disguised foes in the state and economic apparatus. "But there are no difficulties which could not be overcome by the Bolsheviks", declared Stalin in the past. "There are no difficulties in our country which could not be overcome by our people who have taken their destiny in their own hands, who are building, creating and living for themselves and for the coming generations, but not for parasites, drones, exploiters", says comrade Georgi Dimitrov.

The Party must bear in mind that building Socialism is not an easy task. Much energy, effort and perseverance, honest and accurate accounts, regular accountancy and control in the execution of the set tasks; state and labor discipline as well as honest care and maintenance of public property are necessary. Strict economies, vigilance and pitiless struggle against sabotage, waste, loafing, and bureaucratism are needed.

The surmounting of these difficulties and the realization of the Five-Year-Plan can only he achieved on the basis of a greater activization and union of the working class and toilers under the Fatherland Front banner, led by the Communist Party, on the basis of a mass attraction of the bulk of the population to the socialist up-building and to the government of our economy and the further extension of socialist emulation on the basis of a strongly developed criticism of the masses against all irregularities.

The plan is quite straining; sacrifices are necessary for its fulfilment. But are these sacrifices bearable? Yes, they are bearable and justified.

The plan envisages 17 percent of the annual income for capital investments. I must add that it is 19 percent in Poland, 23 percent in Czechoslovakia, 27 percent in Yugoslavia, in the Soviet Union it varied between 15—30 percent during the various five-year-plans.

Considering the envisaged annual growth of the national income, the sum for capital investments is not big. In fact, not even 17 percent of the annual average income will be set aside from the national revenue for capital investments. As the total sum of the capital investments under the Five-Year-Plan amounts to 425 billion leva, of which 131 billion leva will go to the amortization fund, so from the total national income of 2,480 billion leva for the period 1949-53, only an annual average of 12 percent will go to capital investments. The tables you have just read proved to you that during the fascist dictatorship foreign and Bulgarian capitalists robbed Bulgarian economy of 90 billion leva annually, at an income of 50 percent lower and at 2 percent annual growth. At a twofold increased national income and at 18 percent annual growth, the Plan envisages an average of 85 billion leva for capital investments. However, the difference is not to be found in the rate of percentages, but in the fact that while in the first case these 90 billion

leva were stolen from our economy, in the second case they are added to it and make it stronger and help to further increase production. The simplest man will understand that wealth is something good.

We know that our consumption and cultural needs are far from being satisfied. There still is great need of foodstuffs, of consumption articles etc., in our country, but he that spends every earned cent is no manager. Such manager was our bourgeoisie. But it was a dying class. The working class and toilers in our country are now beginning to build their life. Hence, in spite of the scarcity, they will consciously set aside their means for a certain accumulation, in order to ensure socialist overproduction, leading to their welfare. Otherwise, there will be no progress, no development, but only standstill and regress.

The setting aside of means will not be at the cost of the masses. On the contrary, this will ensure work for all, increased revenue and annual progressive improvement of the workers living standard. This is well expressed in the section: "Plan for the improvement of the material and cultural standard of toilers" and the section for the balance of goods and national revenue which are increasing two-fold as against 1939. Essential structural changes will be effected in our national economy under the Five-Year-Plan.

First, the socialist sector will become completely dominating in the sphere of our industry. The class of industrialists is disappe ring. Second, the private sector will disappear from the field of commerce — wholesale and retail socialist commerce will become dominating — speculators are disappearing from commerce. Third, the socialist sector in transport becomes dominating. Fourth, the socialist sector will dominate in the field of rural economy — the coöperative farms.

We are moving towards the complete elimination of antagonistic classes in our country. But this will be achieved by way of intensified class struggle. "The destruction of the classes" — says Lenin — "is a result of duty, of a hard stubborn class struggle which, after the overthrow of the rule of capital, after the destruction of the bourgeois state, after the establishment of the proletarian dictatorship, does not disappear — but only changes its forms, and in many respects grows fiercer". (Lenin v. XVI. page 227).

Thus the Five-Year-Plan will change fundamentally the economic and class aspect of our country in favor of the broad masses, in favor of Socialism.

The examination of the draft-resolution of the Communist Party's Central Committee on the Five-Year-Plan by the broad people's masses shows that they take up this matter seriously. We have received more than 800 proposals, but all are for a further increase of the program. This shows that they have never before felt themselves so happy as now when they are taking up the complex and hard task of building the foundations of Socialism in our country. This can be explained by the fact that the people's masses know that they will win and that they firmly believe in their victory.

The plan gives us unity of will and unity of aim in the entire people's labor, in our entire work. Dimitrov's plan is a great force. To work according to a plan means to know what we are doing and why we are doing it. The plans become in our country, too, an unreplaceable organizing force. That is why the fulfilment of the plan is a question of honor, dignity, and heroism.

The Five-Year-Plan will further consolidate the leading role of the working class and that of its vanguard — the Communist Party; it will reinforce the union between workers and peasants and will strengthen our country's national independence and sovereignty. The fulfilment of the Five-Year-Plan will reinforce the economic and defensive force of the People's Republic of Bulgaria and will be a valuable contribution to the consolidation of the anti-imperialist camp of peace, democracy and Socialism.

For the realization of the Five-Year-Plan, for the development of the people's economy, much labor, energy and knowledge are required. We shall all work not only for its fulfilment, but also for its execution before its set term by doing much better than during the fulfilment of the Two-Year-Plan.

We have all we need to cope with the problems concerning the organization of the new upsurge in our economy.

We have the requisite conditions for a speedier tempo in the development of our people's economy. Our cadres are ever growing. The new directors — the leading technical cadres, are mastering the leadership of enterprises. Our working class is growing culturally and with each day it increas-

es its productive capacity. The Communist Party and the government, headed by comrade Georgi Dimitrov, are enjoying a great confidence and high authority among the masses. Exceedingly gr at is the help which we get and will continue to get from the people's democracies. particularly that of the powerful Soviet Union and the great Stalin.

The building up of Socialism is a hard, but great task. We need several Five-Year-Plans until we achieve its complete construction. The successful fulfilment of the first Five-Year-Plan, which will lay the foundations of Socialism in our country, will be of major historic importance for our country's future.

Our Party which led the masses during the fight against the fascist dictatorship and succeeded in overthrowing it, which is now eradicating capitalism in our country, this Party which gave so many dear sacrifices for the cause of Socialism — will not be deterred from giving all the necessary sacrifices for the up-building of Socialism in our country. Before all, our Party must do this in the name of Socialism and there is no doubt that it will not shrink before them and retard the speedier realization of the set historic aims.

Our party will direct its fire against all those Communists who, under the influence of hostile agitation, manifest hesitation and cowardice during the application of our general line, reflected in the Five-Year-Plan.

Is the Five-Year-Plan realistic?

We declare that it is. The plan is attuned to our possibilities, but also relies on the aid of the Soviet Union and the other democratic countries.

On this occasion we wish to repeat the words of comrade Stalin about the reality of the Soviet plans:

"It will be stupid to think that the production plan consist of a list of figures and tasks only. In actual fact, a production plan is a vivid and practical activity of millions of people. The reality of our production plan — these are the millions of toilers who are creating the new life.

The reality of our program — these are the living people, we and you, our will toward work, our readiness to work on a new basis, our determination to fulfil the plan.

Have we this determination? Yes, we have it. So, our production program can and must be realized" (Joseph Stalin, Problems of Leninism, page 391).

The millions of workers in our country take the banner of the Five-Year-Plan in their own hands. The heroic party of Blagoev — Dimitrov, our V Congress, our Central Committee, headed by comrade Georgi Dimitrov, show us the general line of our march onward toward Socialism.

Comrades, with Dimitrov ahead, on to the fulfilment of the first Five-Year-Plan, the pledge that the foundations of Socialism will be laid in our country.

DOBRI TERPESHEV

BULGARIA'S FIVE-YEAR-PLAN

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